

12/5/77 [2]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Young to The President (one page) re: Weekly Activities of US Mission to the UN/ enclosed in Hutcheson to Cabinet members 12/5/77 <i>opened per RAC NLC-126-10-7-1-2, 3/26/13</i>	12/2/77	A
memo w/ att.	From Brzezinski to The President (10 pp.) re: Human Rights/enclosed in Hutcheson to Mondale 12/5/77 <i>Declassed 2 copies @ 7 pp. per RAC NLC-126-10-7-1-2, 3/27/13</i>	12/3/77	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Pres. Hand-writing File 12/5/77 [2] BOX 62

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FIRST-YEAR SUMMARY

DOMESTIC

The President's domestic policy achievements during the first year of his Administration can be summarized as follows:

I. The President tackled directly and comprehensively major domestic problems that had been almost completely ignored in previous years. If actions had not been taken early in this Administration, these problems would have worsened, making any future efforts at resolution far more difficult and costly. Among the major problems confronted were:

1. Energy -- the country had no comprehensive energy plan. There was no coherent way to reduce foreign imports (costing the U.S. \$45 billion annually), shift to more abundant energy sources, conserve energy use or provide fair incentives to encourage domestic energy production. The President proposed a National Energy Plan designed to achieve these goals by:

- reducing the growth rate in energy consumption to 2% per year;
- reducing gasoline consumption by 10%;
- cutting imports of foreign oil to less than 6 million barrels a day, about half the amount that would otherwise be imported;
- establishing a strategic petroleum reserve supply of at least 1 billion barrels, which could meet all domestic needs for 10 months;
- increasing coal production by more than two-thirds, to over 1 billion tons a year;
- insulating 90% of American homes and all new buildings;
- using solar energy in more than 2½ million homes.

The National Energy Plan was the President's most important domestic priority during the year. A House-Senate conference committee is now considering the plan, with final Congressional passage hoped for this session.

2. Welfare Reform - for years the country has suffered from a welfare system that treats people with similar needs differently, provides incentives for family breakup, discourages work, fails to assist with employment efforts and leads to waste, fraud, and red tape.

The President proposed a comprehensive overhaul of the nation's welfare system, the Program for Better Jobs and Income, that will provide cash benefits to 32 million people out of 30 million eligible (current programs - 30 million receive benefits out of 40 million eligible.) The major elements of the Program include:

- creation of 1.4 million public service jobs for low income families, which provide a job opportunity for every poor family with children.
- tax reduction of \$4.9 billion for the working poor, through an increase in the Earned Income Tax Credit.
- improved recipient benefits -- establishing a basic benefit of \$4200 for single parent families (higher than the AFDC benefit in 14 states).
- fiscal relief to the states and local governments of \$2.1 billion.
- work incentives to ensure that those who work will have higher incomes than those who do not.
- ensuring that every family with a working adult would have a total income above the poverty line.

The Congress is beginning its consideration of the President's welfare package; the Special Welfare Reform Subcommittee established in the House is now working on the Program and is expected to make its recommendation to other House Committees before Congress adjourns this year.

3. Social Security -- the Social Security system was in serious danger of having its major trust funds depleted in 1979 (disability fund) and in 1983 (old age and survivors fund). The system was projected to have an estimated deficit of 8.2% of taxable payroll over the next 75 years. Since 1975, expenditures by Social Security has exceeded income, and unless changes were made in the way the system is financed, that trend would continue and worsen.

The President proposed a refinancing of the Social Security system that would:

- prevent the default of the trust funds;
- bring income and expenses into balance in 1978 and maintain that balance through the end of the century;
- create sufficient reserves to protect the system against sudden declines in revenue caused by unemployment or other economic uncertainties;
- protect the system's financial integrity through the end of the century;
- avoid tax rate increases to workers beyond those already scheduled in law, and spread burdens more equitably through the wage base.

Both the House and Senate have passed Social Security bills which incorporate significant portions of the Administration's bill. The bills are now in Conference with final passage hoped for this Session.

II. Economic Recovery - When the President was elected, unemployment was at 8% and the country was still struggling to recover from a severe recession. There were 7.5 million Americans out of work, and 1.4 million full-time workers had been forced to take part-time jobs. It was estimated that the economy operated at approximately \$132 billion below its high employment potential; the country lost nearly \$35 billion in Federal tax revenues and \$10 billion in state and local revenues because of the economy's poor performance.

To alleviate those problems, the President proposed, and signed into law, a comprehensive package of economic stimulus legislation, totalling \$21 billion in Federal expenditures. The main elements of the stimulus package, many of whose effects have already been felt throughout the economy, are:

- \$4 billion in public works programs (creating about 200,000 jobs);
- \$5 billion in tax reductions, primarily through an increase in the standard deduction, largely benefitting moderate and low-income workers;
- \$1 billion increase in counter-cyclical revenue sharing;
- expansion by 425,000 job slots (to 725,000 slots) in public service employment and training programs;
- \$1.5 billion youth employment program which will create over 200,000 jobs for young people and will double the size of the Job Corps.

As a result, in part, of the stimulus package, the economy has improved -- unemployment has declined to 6.9%; employment has increased to 92 million workers (the largest number in the country's history); per capita after tax income (adjusted for inflation) has increased 4% over the past 12 months; gross average weekly salary has increased since January from \$179 to \$195; housing starts have increased 27% over the past 12 months; corporate dividends have risen 18% over the past 12 months; and consumer savings have increased 14% over the past 12 months.

III. The President initiated a number of efforts to make the Federal government more efficient and effective. Among the more significant of those steps are the following:

1. Reorganization Authority -- proposed, and signed into law, legislation authorizing the President to reorganize executive agencies and departments, subject to congressional veto.

2. Reorganizations -- completed three individual reorganizations requiring congressional assent:

- Department of Energy (legislation combining and streamlining seven government entities into one new major department);
- Executive Office of the President (reorganization plan reducing size of Executive Office of the President by seven entities and reducing the White House staff by 28%, compared to the size of the staff inherited from the previous administration);
- International Communication Agency (reorganization plan combining and streamlining United States Information Agency and cultural functions of the State Department).
- Also completed numerous major intradepartmental and other reorganizations not requiring congressional assent, especially regarding HEW, USDA, DOT, and the intelligence functions of CIA and DOD.

3. Advisory Committees -- eliminated, or proposed to Congress the elimination of, over 40% of the 1200 advisory committees extant at the beginning of the administration.

4. Paperwork Reduction -- initiated aggressive, government-wide paperwork reduction program which, by September 30, had reduced the gross paperwork burden imposed by the federal government on the private sector by 10%, and which had resulted in numerous individual paperwork reforms:

- Ten items were cut from the standard 1040A income tax form, which will reduce the time it takes American taxpayers to fill out their forms each year by an estimated 19 million hours in total;
- OSHA reduced its paperwork burdens by 50%;
- HEW reduced its paperwork burden by over 10 million person hours, a 23% reduction.

5. Reduced the Regulatory Burden -- initiated a wide-ranging program to reduce the burden of federal regulation.

IV. The President initiated several efforts toward making the government more open and honest:

1. Accessibility by the President -- the President made himself more accessible to the American people than any President in modern history and set a tone for the rest of his Administration by the following:

- holding a regular news conference every two weeks (20 to date);
- meeting every two weeks for interviews with non-Washington editors (23 to date);
- holding town hall meetings in Clinton, Massachusetts and Yazoo City, Mississippi;
- visiting each Cabinet Department and answering questions from its employees;
- holding a radio call-in show at the White House and a television call-in show in Los Angeles;
- providing complete financial disclosure of his income and assets;
- made three trips to different parts of the country, stayed in the homes of citizens and met with a broad range of concerned citizens and officials;
- held public policy conferences on energy, water policy and the problems of the poor.

2. Financial Disclosure -- the President required, for the first time, that all Cabinet, sub-Cabinet and White House staff members agree to disclose publicly their income and assets. This has been fully implemented.

3. Ethics Legislation -- the President proposed ethics legislation designed to require public financial disclosure by all public officials; strengthen restrictions on post-government service activities of Federal officials and establish an Office of Ethics in the Civil Service Commission. It has passed the Senate and is making good progress in the House.

4. Revolving-Door -- the President required, for the first time, that all Cabinet, sub-Cabinet, regulatory agency and White House staff members pledge, when they leave government service, not to conduct business before their former employer for two years.

5. Security Classification -- initiated comprehensive review of Security Classification system; provided for public comment a draft Executive Order that would, if issued, greatly reduce unnecessary classifications.

V. The President has reversed years of neglect and treated the problems of low and moderate-income citizens with compassion and understanding. Among the major steps taken in that effort are the following:

1. Food Stamp Reform -- the President proposed, and signed into law, reform of the food stamp program which make food stamps available to 2.2 million additional low-income Americans; among the reforms was the elimination of the purchase requirement.

2. Minimum Wage -- the President proposed, and signed into law, an increase in the minimum wage to enable the lowest paid workers to recover from, and keep pace with, inflation; the minimum wage would increase to \$2.65 an hour by January 1, 1978, increasing the earnings of 4.5 million workers by \$2.2 billion; successive increases would raise the hourly rate to \$2.90 in 1979, \$3.10 in 1980, and \$3.35 in 1981.

3. Farm Bill -- the President proposed and signed into law, a comprehensive Agriculture and Food Bill, designed to provide improved income security to farmers over the next four years in the form of price supports, loans, and other programs designed to assure farmers an adequate rate on their products.

4. Welfare Reform -- the President proposed a comprehensive reform of the welfare system, a Program for Better Jobs and Income; the program includes creation of 1.4 million public service jobs by 1981 and the establishment of the uniform cash assistance program to low-income citizens.

5. Hospital Cost Containment -- the President attempted to control the spiraling costs of hospitalization which often makes needed health care too expensive for low-income citizens, by imposing limits on the annual increase in hospital revenues.

6. Energy Fuel Assistance -- \$200 million was provided to grant emergency fuel assistance to low-income people adversely affected by last winter's high energy costs.

7. Handicapped -- HEW issued historic regulations prohibiting discriminating against the handicapped in any program receiving Federal financial assistance from HEW and effectively extending civil rights protection to the handicapped.

THE WHITE HOUSE
WASHINGTON
December 5, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

LIST OF DOMESTIC ACCOMPLISHMENTS
TO DATE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

return to me to read

ACTION
FYI

	MONDALE
	COSTANZA
✓	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Stu
Very good
J

December 4, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
DAVID RUBENSTEIN

SUBJECT: List of Domestic Accomplishments To Date

Attached is a list of domestic accomplishments to date.

This is divided in two main sections. The first is by theme, with major accomplishments listed under each theme. The second section attempts to list in more detail the specific domestic accomplishments.

If you approve of this format, it can be distributed in draft form to the Cabinet for their review and comment, before it is given wider distribution. *ok*

Also attached is a section prepared by Dr. Brzezinski and his staff on accomplishments in the foreign affairs area.

**Electrostatic Copy Made
for Preservation Purposes**

Major Carter Administration Domestic Achievements - 1977

The following pages contain a brief description of the Carter Administration's major domestic achievements during its first year.

Area	Page
Agriculture	1
Civil Rights and Equal Opportunity	2
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Consumer Protection	3
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Employment	6
Energy	7
Environment	8
Government Reorganization and Reform	9
Health Care and Community	10
Housing and Urban Development	11
Integrity and Openness	12
Justice	14
Social Services	15
Trade	16
Transportation	16
Veterans	18
Miscellaneous	18

Agriculture

1. Food and Agriculture Act - Proposed, and signed into law, a comprehensive food and agriculture bill which

- o removes inequities in commodity programs

- o establishes the principle that price support loans should be kept at levels that will enable U.S. produced food and fiber to remain competitive in world markets.

- o establishes income support levels, based on a cost-of-production concept.

- o provides for more effective administration of the P.L. 480 (food for peace) program.

- o provides for a substantially improved Food Stamp Program by eliminating the purchase requirement, standardizing deductions, lowering net income eligibility limits, and (because of the elimination of the purchase requirement) making as many as 2 million persons eligible for food stamps for the first time.

2. Grain Reserve - initiated plan to place 30-35 million metric tons of food and feed grains in reserve over the next year.

3. International Grain Agreement - initiated negotiations with major grain exporting and importing nations toward the goal of reaching an international agreement that would stabilize world grain prices.

4. Sugar - negotiated an international sugar agreement which will protect domestic sugar producers while stabilizing world sugar prices (Congressional ratification pending).

5. Emergency Drought Assistance - proposed, and signed into law, legislation designed to provide emergency financial assistance to farmers hit by the severe droughts of the past spring and summer; provided over \$800 million in emergency drought assistance.

Civil Rights and Equal Opportunity

1. Bakke - Filed an amicus brief in the Bakke case supporting strongly the use of affirmative action in admissions programs, provided that flexible targets or goals are used instead of flexible, rigid quotas.
2. Sex Discrimination - reaffirmed the validity of, and importance of compliance with, Executive Order 11375, which prohibits discrimination on the basis of sex in Federal employment.
3. Title VI - placed the Executive Office of the President under Title VI of the Civil Rights Act, which prohibits discrimination in Federal programs on the basis of sex.
4. Equal Employment - filed first state-wide suit by Federal government to assure employment of women and blacks in police and fire departments (filed with respect to 54 cities and parishes in Louisiana).
5. Handicapped - issued Section 504 regulations to implement legislation guaranteeing equal access to programs receiving Federal financial assistance.
6. Minority Business - took several actions to increase opportunities for minority-owned businesses:
 - established and achieved goal of having Federal agencies place, in 1977, \$100 million in deposits into minority-owned banks;
 - supported and signed Public Works Act requiring that 10% of the \$4 billion in public works contracts let during 1977-78 be awarded to minority-owned programs (10% set-aside);
 - approved 15% set-aside for minority businesses for construction work in the Northeast Corridor railroad;
 - directed Federal agencies to double purchases of services and goods from minority-owned firms over the next two years, reaching a total of \$2 billion.
7. High-Level Appointments - appointed more blacks, women, and ethnic minorities to executive level positions than any other Administration in history.

Civil Service

1. Pay Raise - approved 7.05% cost-of-living adjustment for Federal employees.
2. Hatch Act Reform - supported a bill to reform the Hatch Act in a way designed to permit most civil service employees to exercise more fully their rights to participate in the political process, without politicizing the Civil Service. This has passed House.
3. Civil Service Reorganization and Reform - initiated, under the President's Personnel Management Project, a review of the Civil Service Commission and Civil Service employment and promotion laws and regulations. Announcement of proposed reforms will come next year.
4. Part-time Employment - directed Cabinet members and Agency heads to increase the opportunities for part-time employment, so that the elderly, handicapped and those with family responsibilities might more easily obtain Federal employment.
5. Presidential Interns - created a Presidential Management Intern Program to bring 250 public administration students to Washington for one year internships in the Federal government.
6. Protection - directed that federal employees not lose their federal employment solely because of reorganization.

Consumer Protection

1. Consumer Agency - proposed the creation of a consumer protection agency to represent consumer interests throughout the federal government; passed House Committee.
2. Fair Debt Collection Practices - supported, and signed into law, the Fair Debt Collection Practices Act, which will prohibit abusive and unfair methods of debt collection.
3. Citizen Participation - supported legislation to reimburse citizens for participation in Court and agency proceedings; to expand class action authority; and to expand citizen standing to sue the government.

4. Appointments - appointed numerous strong consumer advocates to major regulatory positions.

5. Passive Restraints - required automatic occupant crash protection through passive restraints, which will save 9,000 lives and prevent tens of thousands of injuries each year.

Economy

1. Unemployment - unemployment decreased from 8% last November to 6.9% this November.

2. Employment - employment has increased over the past 12 months by almost 4 million -- from 88 million to 92 million (the largest number of employed persons in the country's history). The proportion of the population holding civilian jobs has increased to 57.8%, a record high.

3. Inflation - the rise in Consumer Price Index has declined from approximately 9% early this year and approximately 6.5% this past spring to 4% (October).

4. Duration of Unemployment - the average duration of unemployment has decreased over the past 12 months from 15.5 weeks to 13.8 weeks; the number of persons out of work for 15 weeks or longer has decreased over this period by one quarter.

5. After Tax Income - after tax income per person, adjusted for inflation, has increased 4% over the past 12 months; gross average weekly salary has increased since January from \$179 to \$195.

6. Housing Starts - housing starts have increased 27% over the past 12 months; residential building permits have increased 25% over the same period. Housing starts are at a yearly rate of over 2 million units.

7. Automobile Sales - unit automobile sales in October were 15% above the year earlier level.

8. Industrial Production - industrial production has increased 7% over the past 12 months; since late 1976, the use of industrial capacity has increased about 3%.
9. Economic Profits - Economic profits of corporations (before taxes) have increased 11% over the past year.
10. Corporate Dividends - corporate dividend payments have risen 18% over the past 12 months.
11. Business Capital Outlays (adjusted for inflation) - business capital outlays are 7% above a comparable period for last year.
12. Consumer Savings - consumer savings in the form of time and savings deposits have increased 14% over the past 12 months.
13. Gross National Product - GNP has increased from \$1.7 trillion in the fourth quarter of 1976 to \$1.9 trillion in the third quarter of 1977.

Elderly

1. Mandatory Retirement - supported moving from 65 years of age to 70 years of age the coverage of the Age Discrimination in Employment Act; this change would prohibit employers from requiring retirement prior to the age of 70; supported removing mandatory retirement age from the Civil Service Laws. Bills have passed both Houses of Congress and are now in Conference.
2. Social Security - proposed comprehensive refinancing of the social security system in order to ensure the financial stability of the system for the next 75 years. Bills are now in Conference.
3. Medicare - proposed, and signed into law, the Medicare and Medicaid Anti-Fraud and Abuse Act, which will reduce substantially fraud in those programs and help to lower patient costs; cancelled, as part of the revised FY '78 budget, the proposed increase in patient payments for Medicare recipients.
4. Transbus - mandated the building of Transbus, which will facilitate the use of public transit by the elderly; encouraged local public transit systems to purchase Transbus.
5. Hospital Cost Containment - proposed legislation to control the rapidly increasing costs of hospitalization, by placing a cap on hospital revenues in order to diminish the rate of increase in hospital costs and provide incentives for efficiency.

6. Housing Assistance - provided \$850 million in FY '78 for elderly housing assistance; this amount will provide assistance to the elderly for 25,000 to 30,000 housing units.

7. Emergency Fuel Assistance - provided \$200 million to help low income individuals, a large number of whom were elderly, meet their fuel bills during the past winter; provided additional funding for weatherization and winterization programs for low income elderly.

Employment

1. Unemployment - unemployment rate was 8% at the time of the 1976 election; latest figures (November) show that unemployment has dropped to 6.9%.

2. Public Service Jobs - proposed, and signed into law, a substantial expansion of the public service jobs program (CETA); expansion from 300,000 jobs to 725,000 jobs by March 1978. This was largest public service jobs program since the 1930's.

3. Youth Jobs - proposed, and signed into law, three new youth jobs programs -- National Youth Conservation Corps, Youth Community Conservation and Improvement Projects, and Comprehensive Employment and Training Programs -- creating 200,000 new youth jobs; also doubled the size of the Jobs Corps.

4. Public Works Job - proposed, and signed into law, \$4 billion public works program, which will create nearly 200,000 jobs.

5. Minimum Wage - proposed increasing the minimum wage to enable the lowest paid workers to recover from, and keep pace with, inflation; signed bill increasing minimum wage to \$2.65 an hour by January 1, 1978, directly increasing the earnings of 4.5 million workers by \$2.2 billion; successive increases will raise the hourly rate to \$2.90 in 1979, \$3.10 in 1980, and \$3.35 in 1981.

6. Mine Safety and Health - supported, and signed into law, a bill to improve the safety and health of the nation's 400,000 miners, by placing all of the nation's mines under a single safety and health program administered in the Labor Department.

7. Labor Law Reform - proposed first set of comprehensive reforms in the labor laws in 30 years; the reforms would eliminate delays in the NLRB procedures and would strengthen NLRB sanctions against labor law violators; passed the House.
8. Undocumented Aliens - proposed comprehensive program to control the presence of millions of undocumented aliens in the country; program includes prohibition against employers hiring undocumented aliens.
9. Welfare Reform - proposed comprehensive reform of the nation's welfare system; reform includes creation of 1.4 million public service jobs by 1981, so that every person on welfare able and willing to work can secure a job.
10. Supplemental Unemployment Benefits - supported, and signed into law, a bill to extend Federal supplemental unemployment benefits for 26 additional weeks.
11. Humphrey - Hawkins - endorsed a Humphrey-Hawkins Full Employment Bill which would establish a 4% unemployment rate and reasonable price stability for 1983 as goals of the nation.

Energy

1. National Energy Plan - proposed legislation designed to provide the nation with its first comprehensive energy policy; bills have passed both Houses of Congress and are now in Conference.
2. Emergency Natural Gas - proposed, and signed into law, a bill that permitted the President, during last winter's shortage, to make emergency allocations of natural gas and to permit emergency purchase of unregulated gas.
3. Department of Energy - proposed, and signed into law, a bill to combine 11 government entities into one Cabinet-level Department of Energy.
4. Alaska Natural Gas - negotiated an agreement with the Canadian government concerning a joint transportation route (the ALCAN Project) for Alaskan natural gas; secured Congressional approval of the route decision
5. Strategic Petroleum Reserve - undertook steps to expand the National Strategic Petroleum Reserve from 500 million

barrels to 1 billion barrels of oil, providing the country with a 10 month oil supply.

6. Nuclear Non-Proliferation - proposed legislation designed to control the worldwide spread of nuclear fuels by applying uniform standards for licensing of nuclear exports, establishing criteria for the negotiation of new nuclear technology exchange agreements, and authorizing regulations for more expeditious review of nuclear export licenses; passed the House.

Environment

1. Clean Air - supported, and signed into law, amendments to the Clean Air Act, which include strict but achievable auto emission and stationary air standards.

2. Strip Mining - supported, and signed into law, a strip mining bill (twice vetoed by Ford) which will set the first Federal environmental standards for strip mining.

3. Water Resource Projects - initiated major review of federal water resource development projects to ensure those recommended for funding in FY '78, and future years, are economically and environmentally sound, as well as safe; signed legislation deleting funding for nine previously authorized projects.

4. Redwoods - issued call for a moratorium on logging in Redwood National Park; proposed legislation to expand the park and protect it from further commercial use.

5. Water Pollution - proposed amendments to the Federal Water Pollution Control Act, involving reform of the sewage treatment construction grant program and strict protection for federal wetlands; amendments have passed a House-Senate conference.

6. Environmental Message - submitted to Congress a comprehensive environmental message. The Message included support for four new wilderness areas; eight new wild and scenic park designations; and water resource policy reforms.

7. Whaling - implemented a U.S. whaling policy which protects whales within 200 miles of U.S. coast, cooperated with the International Whaling Commission on bowhead whales, and supported a 10-year worldwide moratorium on commercial whaling.

8. Alaska Lands - proposed to Congress a designation of Alaska Federal Lands (d-2 lands) which will protect for the public 93 million acres of this land, create or expand 19 National Parks and Reserves, 14 National Wildlife Refuges and 42 Wild and Scenic Rivers.

9. Water Policy - initiated review of federal water policy which will lead next year to an announcement of a comprehensive federal water policy.

10. Oil Spills - proposed to Congress legislation which will establish liability for oil tanker spills and will lead to the development of regulations by the Coast Guard to prevent future oil spills.

Government Efficiency, Reorganization, and Regulatory Reform

1. Reorganization Authority - proposed, and signed into law, legislation authorizing the President to reorganize executive agencies and departments, subject to Congressional veto.

2. Reorganizations - completed three individual reorganizations requiring Congressional assent.

- Department of Energy (legislation combining and streamlining seven government entities into one new major department);
- Executive Office of the President (reorganization plan reducing size of Executive Office of the President by seven entities and reducing the White House staff by 28%, compared to the size of the staff inherited from the previous administration);
- International Communication Agency (reorganization plan combining and streamlining United States Information Agency and cultural functions of the State Department).
- Also completed numerous major intradepartmental and other reorganizations not requiring Congressional assent, especially regarding HEW, USDA, DOT, and the intelligence functions of CIA and DOD.

3. Advisory Committees - eliminated, or proposed to Congress the elimination of, over 40% of the 1200 advisory committees extant at the beginning of the Administration.

4. Paperwork Reduction - initiated aggressive, government-wide paperwork reduction program which, by September 30, had reduced the gross paperwork burden imposed by the federal government on the private sector by 10%, and which had resulted in numerous individual paperwork reforms:

- Ten items were cut from the standard 1040A income tax form, which will reduce the time it takes American tax payers to fill out their forms each year by an estimated 19 million hours in total;
- OSHA reduced its paperwork burdens by 50%;
- HEW reduced its paperwork burdens by over 10 million person hours, a 23% reduction.

5. Reduced the Regulatory Burden - initiated a wide-ranging program to reduce the burden of federal regulation, including:

- promulgation of an executive order to require all agencies to make advance disclosure of their agendas for regulatory action, to assure that agency heads will subject regulation-writers to managerial control, to establish procedures for public assessment of the impact of proposed regulations on the private sector before they take effect, and to establish on-going internal programs to sunset outmoded regulations.
- establishment, especially within agencies previously noted for their burdensome regulatory practices, of aggressive reform programs, notably in HEW, where "Operation Common Sense" has been set up to rewrite all agency regulations within five years, and in OSHA, which has acted to eliminate 1100 unnecessary regulations, and to cut paperwork, inspections, and other practices which needlessly harm small business while producing no proportionate worker benefits.
- development of programs to eliminate overlap and duplication of regulatory requirements, especially in such high-impact areas as equal employment opportunity enforcement, and toxic substances regulation.

- institution of policies to eliminate regulation and substitute competition, wherever business and consumer interests so require, especially in the airline industry, where plans have been developed to assure consumers lower prices and wider service options, and also in motor carrier and communications regulation.
- 6. Zero-based Budgeting - instituted zero-based budgeting as a budget mechanism to be used by OMB and the Executive Departments in assessing the merits of all Federal programs.
- 7. OSHA - redirected OSHA's enforcement activities by reducing its paperwork burden by 50% and shifting its emphasis from minor harrassing activities to major health and safety concerns.
- 8. Regulating Writing - initiated efforts to reduce the length of regulations and to improve their ability to be readily understood.

Health

1. Hospital Cost Containment - proposed bill to control the spiraling costs of hospitalization by imposing limits on the annual increase in hospital revenues; passed Senate Health Subcommittee.
2. Mental Health Commission - established a Mental Health Commission, with Mrs. Carter as honorary Chairwoman, to review national efforts in mental health services; final report due April 1978.
3. Medicare and Medicaid Fraud - supported, and signed into law, a bill designed to attack the substantial fraud present in the Medicare and Medicaid programs.
4. Immunization Program - began effort to immunize the more than 20 million children in this country not yet protected against communicable childhood diseases.
5. CHAP - proposed bill to increase from 55 to 75% the average federal payment to the states for health care provided to children whose families are unable to afford basic health care.
6. Physician Extenders - supported a bill, which has now passed Congress, extend Medicare and Medicaid reimbursement to physician extenders in rural clinics.

7. Public Health Service Hospitals - restored funding in FY '78 budget (from the Ford budget) to prevent the closing of eight public health services hospitals; signed into law.

8. Health Professionals - proposed \$101 million increase for FY '78 (over the Ford budget) for health professionals training; signed into law.

9. National Health Insurance - established National Health Insurance Advisory Group to help develop a comprehensive national health insurance plan; conducted hearings in all 50 states to solicit views.

Housing and Community Development

1. Increased Funding - proposed, and signed into law, the Housing and Community Development Act, which provides funds to:

- o ensure housing for an additional 344,000 low and moderate-income families by authorizing \$1.2 billion in new contract authority for Section 8 (income supplement) (288,000 families) and Public Housing programs (56,000 families);
- o increase FHA mortgage insurance limits for a single family home from \$45,000 to \$60,000 and lower downpayment requirements;
- o increase previous community development funding levels by \$2.4 billion over 3 years (total of \$12.5 billion), using a new allocation formula designed to target the funds to the most distressed urban areas;
- o create the Urban Development Action Grant program, which will provide an additional \$1.2 billion over 3 years to the most distressed urban areas.

2. Supplemental Housing Authorization - proposed, and signed into law, a bill designed to provide increased funding for Federal housing programs, including those designed to subsidize housing construction, to subsidize the operation of public housing and to increase the construction of housing for Indians.

3. Increased Assisted Housing Starts - achieved in FY '77 total starts for assisted housing programs of 114,000 units, double the figure for FY '76, and the highest level in HUD's history.
4. Eviction Moratorium - imposed moratorium on evictions from HUD-owned properties pending the development of a policy to assist tenants in foreclosed FHA-insured properties.
5. Housing Counseling - directed HUD funds, for the first time, to support counseling programs to assist first-time homeowners with their purchases, as well as homeowners approaching defaults.
6. Office of Neighborhoods - created special office at HUD to support community and neighborhood-based programs aimed at urban revitalization.
7. Urban and Regional Policy Group/National Urban Policy - reactivated, under the Secretary of HUD, the inter-agency Cabinet-level Urban and Regional Policy Group; assigned the responsibility of developing a comprehensive national urban policy for announcement next year.
8. Anti-Redlining Regulations - promulgated (by the Federal Home Loan Bank Board) strong anti-redlining regulations designed to prohibit discriminatory mortgage credit practices.
9. South Bronx - created interagency task force to develop plans for the complete rehabilitation of the South Bronx.
10. Urban Homesteading - expanded to 15 additional cities the Urban Homesteading program, which helps to restore neighborhoods while increasing home ownership opportunities for low and moderate income families.

Integrity and Openness

1. Financial Disclosure - required, for the first time, that all Cabinet, sub-Cabinet and White House staff members agree to disclose publicly their income and assets.
2. Revolving Door - required, for the first time, that all Cabinet, sub-Cabinet, regulatory agency and White House staff members pledge, when they leave government service, not to conduct business before their former employer for two years.

3. Ethics Legislation - proposed Ethics Legislation designed to require public financial disclosure by all Federal officials; strengthen restrictions of post-government service activities of Federal officials; establish an office of Ethics in the Civil Service Commission; and authorize appointment of a temporary special prosecutor to handle cases involving certain high-level Executive Branch officials; passed the Senate.
4. Lobbying Reform - supported strong Congressional registration and disclosure legislation.
5. Security Classification System - initiated comprehensive study of the government's security classification system; proposed reforming the system and reducing unnecessary classification in a draft Executive Order; the Order is now being circulated for public comment - the first proposed Executive Order ever so circulated.

Justice

1. Pardon - issued pardon for all selective service law violators from the Vietnam war era.
2. Merit Selection - established merit selection panels to recommend possible appointees to the U.S. Circuit Courts of Appeals;
3. Prisoner Exchange - supported, and signed into law, legislation to implement treaties permitting the exchange of prisoners with Mexico and Canada; transfers now going forward.
4. LEAA - initiated thorough review of the operations of LEAA, which will soon lead to an announcement of comprehensive reform in LEAA.
5. Juvenile Justice - supported, and signed into law, a bill extending the Juvenile Justice and Delinquency Prevention Act through 1980 and strengthening Federal efforts against juvenile delinquency.
6. Foreign Intelligence Wiretapping - developed legislation that would, for the first time, place under a court warrant system foreign intelligence wiretapping done by the U.S. government; passed Senate Judiciary Committee.

7. Court Reform - developed legislation to reduce the backlogs in the Federal courts by expanding significantly the authority of Federal magistrates to hear certain types of claims; passed the Senate.
8. Criminal Code - helped develop revised version of a bill to consolidate the criminal code; the bill would simplify and centralize the Federal Criminal law now found in the 50 titles of the U.S. Code.

Social Services

1. Food Stamps - proposed, and signed into law as part of the Farm Bill, major reforms in the Food Stamp Program in order to simplify the Program, increase participation by those with the lowest incomes, and eliminate the purchase requirement; 2.2 million people will become eligible for Food Stamps for the first time as a result of the reform.
2. Summer Food Service Program - proposed, and signed into law, major reforms in the Summer Food Service Program in order to provide stricter requirements for Program sponsors, better targeting on children of low income families, and increased penalties for fraud.
3. Title XX - proposed, as part of the revised FY '78 budget, making permanent \$200 million increase in the Title XX Social Services Program in order to provide additional funding for day care services.
4. Child Care - proposed a set of reforms in the federal child welfare programs, including improvement of the foster care program, procedural protection for children, subsidized adoptions for hard-to-place children, and increased funding for child welfare services; passed by the Senate Finance Committee.
5. Indochina Refugees - proposed, and signed into law, an extension of the Indochina Refugee Assistance Act, which provides funds to the states in order to assist in the resettlement of Indochina refugees.
6. Handicapped - issued (by HEW) regulations prohibiting discrimination against the handicapped in any program receiving federal financing assistance from HEW; similar requirements will be issued by other departments; sponsored the White House Conference on Handicapped Individuals.

7. Emergency Fuel Assistance - provided a \$200 million fund to grant emergency fuel assistance to low income people adversely affected by the high energy costs of last winter; program administered through CSA.

8. Welfare Reform - proposed a comprehensive reform of the welfare system, substituting in place of existing programs a Program for Better Jobs and Income; the Program includes a consolidating cash assistance proposal; 1.4 million public service jobs and \$3.3 billion in tax relief for the working poor.

Trade

1. Color TVs - negotiated an Orderly Marketing Agreement (OMA) to reduce imports of color TVs from Japan from 2.7 million sets in 1976 to 1.75 million a year for the next 3 years, a 35% reduction.

2. Shoes - negotiated OMA's to reduce imports of shoes from Taiwan and South Korea from 200 million pairs in 1976 to an average of 162 million pairs over the next four years.

3. Anti-Boycott - helped to develop, and signed into law, a bill designed to prohibit American participation in secondary economic boycotts by foreign countries; the law has aimed primarily at the economic boycott of Israel by Arab countries.

4. Steel - will soon announce a comprehensive program to help the industry.

Transportation

1. U.S.-U.K. Air Agreement - negotiated a new U.S.-U.K. Bilateral Air Services Agreement, to replace expired Agreement and to govern all air traffic between the two countries.

2. Passive Restraint - mandated that all new cars be equipped with some form of passive restraint system - airbags or automatic belts - by 1984; will save 9000 lives and prevent tens of thousands of injuries per year.

3. Auto Efficiency Standards - mandated new fuel efficiency standards for 1981-1984 model cars, which will sharply improve fuel economy averages; 22mpg in 1981, 24mpg in 1982, 26mpg in 1983 and 27mpg in 1984; these standards will save approximately 1 million barrels of oil per day by 1990

4. Concorde Noise Rules - proposed the first noise rules to govern domestic flights of the Concorde SST and any future SSTs. The proposed rules would permit Concordes to use domestic airports only if they meet reasonable non-discriminatory noise rules set by local airport operators. SSTs built after those currently built or in construction would be required to meet the 1969 subsonic noise standards for planes.

5. Transbus - required commercial production of transbus, a public transit bus designed to meet the needs of the elderly and the handicapped; encouraged public transit systems to purchase Transbus.

6. Airline Deregulation - supported Congressional efforts to deregulate significantly the airline industry; passed Senate Commerce Committee.

7. International Airfares - approved Laker Airways's application to initiate low-cost trans-Atlantic service, resulting in applications (which were approved) by other airlines seeking to offer reduced-cost travel; approved various super-APEX fares to greatly reduce cost of international flights.

8. Northeast Corridor Construction - began work on the \$1.7 billion Northeast Corridor railbed improvement program, designed to increase railroad speeds between Boston and Washington, D. C.

9. Waterway Use Fees - urged Congressional passage of country's first waterway user fees; different versions have passed the Senate and House.

10. Vehicle Safety - upgraded the vehicle safety defect program, resulting in the recall of 8 million vehicles for safety-related defects.

11. Cargo Airline Deregulation - supported, and signed into law, a bill to deregulate completely the cargo airline industry.

Veterans

1. Discharge Review - established a discharge review program to permit upgrading of less-than-honorable discharges for Vietnam era veterans; signed bill to expand to include veterans of all eras.
2. Disability Compensation - proposed, and signed into law, a bill to provide a cost of living increase for recipients of veterans disability compensation; the increase will be 6.6% and will benefit 2.5 million people.
3. G.I. Bill Benefits - proposed, and signed into law, a bill to provide an increase in G.I. Bill educational assistance benefits to Vietnam era veterans; the increase is 6.6% and it affects 1.7 million veterans.
4. Pensions - proposed, and signed into law, an increase in veterans pensions; the increase was 6.5% and assists 2.3 million recipients.
5. Project HIRE - established, in association with the National Alliance of Businessmen, Project HIRE to provide jobs in private enterprise for Vietnam veterans.
6. CETA Jobs - proposed that 35% of the jobs under the new CETA Title VI Program be allocated to Vietnam veterans; signed legislation including a provision requiring that strong priority be given to Vietnam veterans in the CETA Jobs Program.

Miscellaneous

To date (12/5/77), the President has:

- sent 21 major legislative messages to Congress
- signed 225 bills (allowed no bills to become law without signature)
- vetoed 2 bills (ERDA Authorization bill and Rabbit Meat Inspection bill)
- held 25 bill signing ceremonies
- held 20 national press conferences

- given 23 interviews to groups of non-Washington reporters
- given 28 individual interviews
- held 60 meetings with heads of State and government
- hosted 17 State and working dinners at the White House
- received nearly two million letters and cards

NATIONAL SECURITY/FOREIGN POLICY ACCOMPLISHMENTS

GLOBAL ISSUES

*Human Rights

The protection and enhancement of human rights has been raised to the forefront of world consciousness. The President signed the American Convention of Human Rights on June 1, 1977.

*Proliferation

The Administration has developed a comprehensive policy covering domestic and export activities; has initiated an historic undertaking, the INFCE, an international technical evaluation of the entire nuclear fuel cycle; on May 26, the President signed Protocol I of the Treaty of Tlatelolco.

*Arms Transfers

For the first time, the US has adopted both qualitative and quantitative guidelines for restraining US arms sales abroad and has begun talks with other major arms suppliers on multilateral restraint.

ARMS CONTROL

*SALT

Pursuing a SALT II agreement. After rejection of initial US proposals for substantial reductions in strategic nuclear arms, the Soviet Union later accepted our three stage approach for continuing through SALT II toward SALT III. Differences between two sides have narrowed. Issues appear to be subject to resolution.

*Comprehensive Test Ban (CTB)

In response to the President's initiative (US, USSR, UK) negotiations began late summer and progress is being made toward conclusion of a treaty banning nuclear explosions in all environments.

*NORTH/SOUTH RELATIONS

US image in the less-developed world and the UN changed dramatically from one of perceived adversary to one of potential partner: in Security Council debate on Africa US played mediating role; US arms control policies have made noticeable and favorable impact on the UN's annual review of disarmament issues; US played constructive role in Maputo and Lagos conference on apartheid; US participated for the first time in ASEAN ministerial meeting.

WESTERN EUROPE

Participated in a successful Belgrade CSCE Conference, including review of human rights; further MBFR proposal to advance talks; inauguration of four specific NATO efforts (Long-term Defense Program; short-term improvements; "two-way street" in defense purchases; East-West Study); \$300 million loan and forging of multi-nation consortium to help consolidate democracy in Portugal; secured major IMF loan for Italy.

*SOVIET UNION/EASTERN EUROPE

The Administration has put the US-Soviet relationship on a more reciprocal, realistic, and ultimately more productive basis for both nations. Specifically, the US has sought to deal constructively with the Soviets on a wide range of issues, including SALT, a complete end to all nuclear tests, non-proliferation, arms limitations in the Indian Ocean, science and technology agreements, and such multilateral issues as world health and world hunger. With respect to Eastern Europe, the Administration has improved relations with various countries due, in part, to the Vice President's visit to Yugoslavia and Secretary Kreps' current visit to Poland.

*ARAB/ISRAELI CONFLICT

Established framework for comprehensive settlement, consisting of nature of peace, recognized borders and security, and Palestinian question; urged with considerable success Arabs to be forthcoming on peace commitments, direct negotiations, peace treaties; supported Sadat-Begin dialogue as part of ongoing efforts to get parties talking about overall peace agreement.

ASIA

Peoples Republic of China

Charted a sound course toward normalization which emphasizes the mutual efforts necessary to complete the process and continued to develop a consultative relationship with the Chinese on global affairs.

Korea

Developed the details of the Korean troop withdrawal in such a way as to provide reassurance to the Koreans, Japanese and other Asians that we are not disengaging from Asia.

Vietnam

Initiated the process of normalization through talks in Paris; established mechanism for additional MIA accounting.

AFRICA

Mondale/Vorster meeting in Vienna signalled the direction of the Administration policy toward a condemnation of apartheid; initiated new consultations and, with British, launched Anglo-American Plan for independence; initiated Five Power Group to negotiate toward an independent Namibia; restored good relations with African States of all political leanings (Nigeria, Congo-Brazzaville and Guinea, etc.)

LATIN AMERICA

The Administration has developed a general approach to Latin America, recognizing the diversity of the region rather than applying a single policy identified by a simple slogan. This approach has been well received in the region.

*Panama

Concluded and on September 9, 1977, signed the Panama Canal Treaties.

Cuba

Initiated first direct government-to-government negotiations; concluded Fisheries agreement; established Interest Sections in each other's country.

Caribbean

First distinctive policy to the region culminated in an international conference sponsored by the World Bank on December 14-15 to launch a multilateral effort at developing this region.

ECONOMIC ISSUES

*London Summit

With leaders of major industrial democracies, President reached agreement on common program for international economic cooperation.

Multilateral Trade Negotiations

Reached agreement with European Community on a timetable for negotiations and thereby broke the long stalemate in trade talks.

DEFENSE/SECURITY ISSUES

Net Assessment, Military Posture

Formulated a comprehensive US national strategy, involving overall US posture toward the Soviet Union and guidance on military strategy, force postures and programs.

B-1/Cruise Missiles

Reached decision on B-1 and Cruise Missile production issues.

OTHER ISSUES

*Intelligence

1. Reorganized the Intelligence Community;
2. Established a new comprehensive telecommunication protection policy and program.

International Communications

Established new International Communication Agency to replace USIA and State/CU.

~~CONFIDENTIAL~~

December 2, 1977

TO: President Carter
THROUGH: Rick Hutcheson
FROM: USUN - Ambassador Young
SUBJECT: U.S. Mission to the United Nations Activities, November 17-30

1. NAMIBIA

Amb. McHenry and the Contact Group are presently in southern Africa discussing the Western proposal with the Frontline Presidents (including Angola) and the representatives of SWAPO. For the moment, at least, SWAPO has rejected the proposal's provisions on South African troop withdrawal. The Frontline Presidents have reaffirmed their qualified support for the effort. Despite the existing problems with SWAPO, the group has decided to go on to South Africa to discuss the proposal and state of play of Namibia with the South African government.

2. THE MIDDLE EAST IN THE UNITED NATIONS

The question of the Middle East is being discussed on various fronts within the UN. In addition to Waldheim's suggestion of a post Cairo conference, the UN has been discussing the question of the Middle East in general, the rights of Palestinians, Israeli practices in occupied territories, and the creation of a larger unit within the UN to support the Committee on Palestinian Rights. Thus far, the events in Israel and Cairo have had relatively little impact on the debates, with the exception of the Syrian blast against Sadat which led to the Egyptian Ambassador walking out. Amb. Young delivered our general Middle East statement on Thanksgiving Day. The Security Council, in a routine meeting, renewed for another six months the mandate of the UN Disengagement Observer Force (UNDOF) on the Golan Heights.

3. PHILIPPINE OFFER TO HOST THE 1978 GENERAL ASSEMBLY IN MANILA

This effort, which is opposed by most Member States and the UN Secretariat, has some chance of success because of the natural reluctance of many to actively oppose the Philippines. In view of the evident resistance, however, the Philippines is now proposing to hold just the first three weeks of the Assembly (General Debate) in Manila. The U.S., while attempting to keep a low profile, is cooperating with other like-minded states to block the proposal.

4. RHODESIA

Debate began November 30 in the Decolonization Committee on the question of Rhodesia, including the issue of the expansion of sanctions.

5. HUMAN RIGHTS

The Finnish Delegation (with our quiet support) is attempting to gain backing for a resolution on Human Rights in Uganda. The U.S. has co-sponsored a resolution on Human Rights in Chile. Negotiations are continuing on the questions of the High Commissioner for Human Rights and the Iranian draft on Alternative Approaches to Human Rights.

6. AMBASSADOR YOUNG'S OTHER MEETINGS

UN Ambassador Simbanye (Burundi) 11/23; UN Ambassador Mensha (Upper Volta) 11/23; Senator Javits 11/23, 11/25; Professor Jean Herskovitz (on Nigeria) 11/29; Bert Lance 11/29; SWAPO Secretary Zepanja Kameeta 11/29, 11/30.

PRESS: Tony Lewis, New York Times 11/23; Ebony Magazine 11/25-30; Good Morning America, ABC 11/29. SPEAKING ENGAGEMENTS: Olivette Baptist Church, Cleveland, Ohio 11/27; Harvard Club, NY 11/30; Ms Dinner of Champions, NY 11/30. ENERGY STATEMENTS: None

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Per: Rac Project

ESDN: NLC-126-10-7-1-2

BY 1-5 NARA DATE 3/20/13

11:45 AM

THE PRESIDENT HAS BEEN.

THE WHITE HOUSE

WASHINGTON

December 5, 1977

MEETING WITH SENATOR EDWARD KENNEDY

Monday, December 5, 1977

11:45 a.m. (15 minutes)

Oval Office

From: Frank Moore *F.M.*

I. PURPOSE

To discuss tax reform and the Federal Reserve Board.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The Senator requested this meeting in order to clarify a couple of points.

B. Participants: The President
Senator Edward Kennedy
Frank Moore

C. Press Plan: White House Photo.

III. TALKING POINTS

As appropriate.

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Peter Bourne

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hatcheson

cc: Jody Powell

DRUG REPORT #7

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
	/	POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
/	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

November 25, 1977

MEMORANDUM TO THE PRESIDENT

FROM: PETER G. BOURNE *P.B.*
SUBJECT: MONTHLY DRUG REPORT #7

GENERAL

The overall success which we have achieved in the drug area during the last ten months continues to be sustained. As we briefed you for the Strategy Council meeting, heroin purity remains below the five per cent level, there has been a sustained decline in overdose deaths and street crime is down. Ever since you surfaced the issue of the misuse of barbiturates and focused publicity on their overprescribing, there has been an apparent voluntary restraint by physicians and a month by month decline in the number of people being seen in emergency rooms with barbiturate related problems (see attached chart). The Pharmaceutical Manufacturer's Association has agreed to cease any further promotion or advertising of these products. The Institute of Medicine is completing a study for us on the long range implications of various policy decisions on these and other drugs.

PSYCHOTROPIC CONVENTION

I hope to have this treaty through the Congress for your signature by early next year. After seven years of delay we have managed to get the support of, or neutralize all of the previous congressional opposition. Ratification of this treaty will immeasurably strengthen our hand at the meeting next year of the United Nations Commission on Narcotic Drugs in Geneva.

COLOMBIA

We are working hard to maintain the momentum with Colombia. The Justice Department will present the Colombian Government, within the next few weeks, several major cases against top Colombian traffickers. The joint DEA/FBI task force in Miami has uncovered extraordinary amounts of drug related money in area banks, including more than \$250 million in one bank. Mathea Falco of the State Department is meeting regularly with Ambassador Barco to coordinate our mutual activities.

*Peter -
good - keep
max p.r. on
progress -
J.C.*

Memorandum to the President
From Peter G. Bourne
Monthly Drug Report #7

MEXICO

As we head into a new growing season we continue to keep the pressure on. I will spend two days in Mexico next month to review the eradication plans for this season with the Mexican Attorney-General and to visit the primary poppy growing areas around Culiacan.

SOUTHEAST ASIA

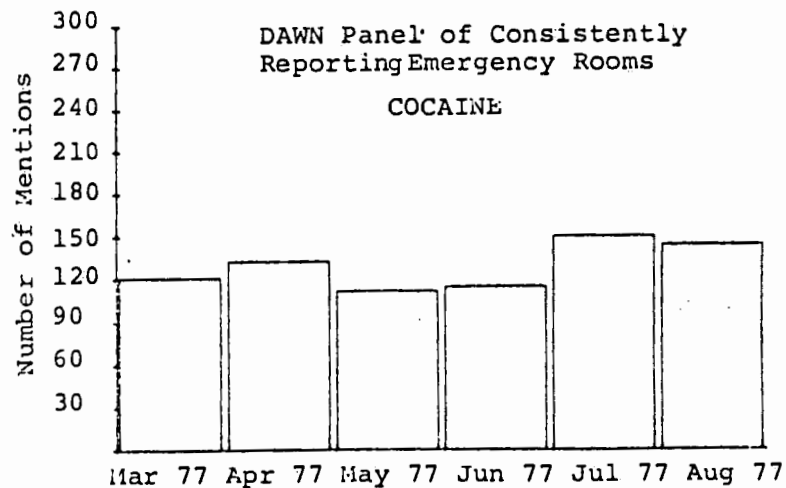
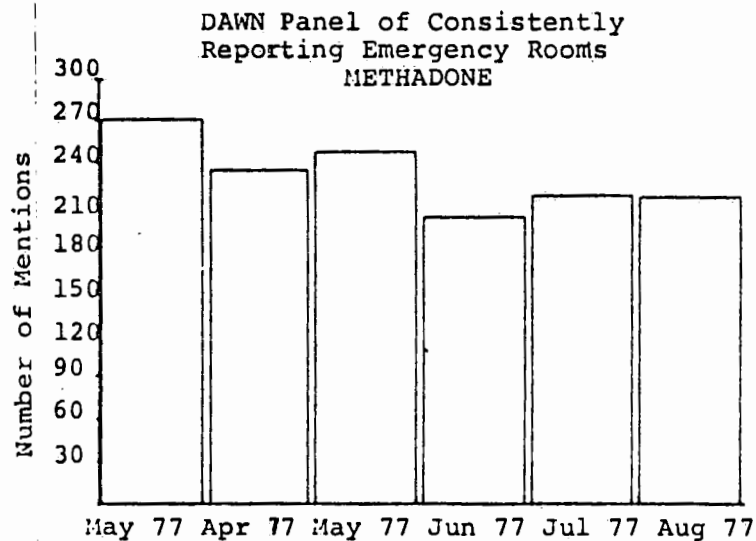
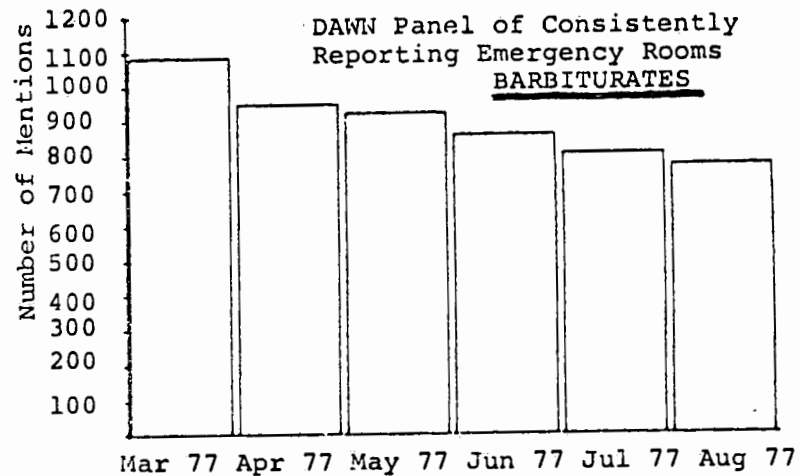
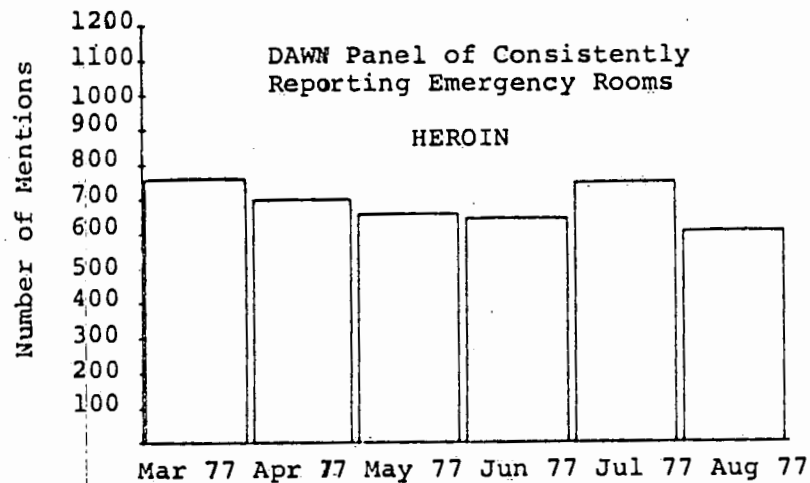
The change of government in Thailand will have little effect on the anti-narcotics effort. The Burmese have achieved considerable military victories in recent weeks against both the Burmese Communist Party and the major trafficking groups. There is a report, as yet unsubstantiated, that the Burmese Communist Party plans to get out of the opium business and will prohibit opium cultivation in the areas they control after the 1978 season. If true, this would represent a major victory for us.

Despite our success in the "Golden Triangle" where we have diminished heroin flow by as much as 40-50 per cent, there is still enough getting to Europe to sustain a serious and steadily worsening problem. The per capita overdose death rate in Berlin from heroin currently exceeds that in New York city. We are working with European governments to help them deal with the problem. While the situation in Europe is currently having little effect here, it poses a potential threat in terms of spillover of excess quantities of drugs into the United States.

PHENCYCLIDINE (PCP)

PCP is an animal tranquilizer which is currently being made in large quantities by illicit laboratories and has recently gained widespread popularity among young people. In a significant number of cases it causes psychotic and violent behavior. Several murders have been directly attributed to intoxication with this drug. We are currently conducting a survey to determine the full extent of its detrimental effects. It poses a serious threat for several reasons. Initially we thought it was a brief fad that would go away. It has not and use is spreading dramatically. It is very easily made so that controlling the supply is almost impossible. It appears that the adverse effects are very severe and relatively frequent. It opens up a whole new specter of dozens of synthetically made drugs coming out of illicit laboratories and being marketed successfully in the drug using community. This is probably the single most serious development in the drug field in the last 2-3 years.

EMERGENCY ROOM VISITS RELATING TO ABUSE OF VARIOUS DRUGS



*Most recent two months may be under reported.

NARCOTICS MARKET PLUMMETS AFTER THAI CRACKDOWN

Christchurch THE PRESS in English 27 Sep 77 p 8

[Article by Brian Eades]

[Text]

Bangkok

The business of narcotics — opium, morphine, and heroin — has rarely been in a sorrier state. A year ago Golden Triangle raw opium was selling on the Thai-Burma border for the equivalent of \$180 per viss (1.6 kg); this week it was selling for \$45.

The reason for the plummeting price is not oversupply, although United States narcotics agents say there is sufficient opium and heroin stockpiled on the border to supply America's 25,000 addicts for six months) but fear.

Since the summary execution in Thailand of a heroin trafficker, major traffickers have been asking themselves whether the profits justify the risk. The recent arrest of two allegedly prominent traffickers cannot have reassured them.

There have been substantial gains in the field of suppression. Bangkok Airport, once notoriously leaky, has tightened beyond recognition. Schemes for international co-operation between European, American, and Asian narcotics agents, worked out in Thailand last year, have begun to pay dividends.

In large part, the gains are a consequence of changing attitudes in Thailand — the major conduit from the "Golden Triangle" to the lucrative markets of Europe and North America. With 400,000 addicts of their own, the Thais are acutely aware of the damage done by heroin.

Some months ago, a United States narcotics agent remarked that the problem was not one of

"crop substitution" — a reference to United Nations attempts to encourage hill tribes opium growers to switch to coffee and beans — but "income substitution" for corrupt officials.

Recent information suggests that many of the more prominent policemen, soldiers, and Government officials, are finding it less dangerous and almost as lucrative to switch their interest from opium and heroin to jade and precious stones. The Chinese syndicates who finance the traffic are coming to the same conclusions.

As if to dramatise their new-found commitment, the Thai Government recently staged the public burning of almost 300kg of top grade heroin, which at street sales in London or New York would be worth in the region of \$120M.

The Thais have another 600kg of heroin in their police warehouses, and this too is to be burnt when the cases connected with it are concluded. Another two tonnes of morphine base are being offered for legal sale.

There are many who doubt whether the pace will be sustained, despite the commitment of the United States Government in general, and President Jimmy Carter in particular, to suppression.

The reasons are made clear in a letter addressed to President Carter at the end of April by the National Democratic Front (Burma), comparing minority groups fighting for independence from Rangoon.

Several of the groups, notably the Shans and the Kachins, rely heavily on taxation of the opium traffic to finance their armed struggles, and it is they who are suffering, as much, if not more than the syndicates, as a result of stepped-up suppression efforts.

The letter never reached Mr Carter, having been intercepted by his special adviser on narcotics, Dr Peter Bourne.

What it offered was not especially new. Guarantees to police the traffic and offer the bulk of Burma's massive opium output for sale to the United States Government, and ultimate destruction.

The arguments against such a deal are equally as familiar. "The hill tribesmen would simply grow more, and that would seep onto the illegal market."

While this argument is questionable; the cultivation of opium is a painstaking and labour intensive undertaking, other factors loom large.

For the moment, the narcotics agents are patting themselves on the back. But any time they change their minds about "pre-emptive buys," the Burmese minorities offer remains open, and the price is falling daily.

THE WHITE HOUSE
WASHINGTON

December 5, 1977

The Vice President

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

HUMAN RIGHTS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

copy for our files

ACTION	FYI	
X		MONDALE - orig
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

*(not to
2A yet)*

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

~~CONFIDENTIAL~~THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS

Fritz → 3619
action &
Comment J.C.
7901
Dec. 3, '77

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 2B.

SUBJECT: Human Rights

Outlined below are several human rights initiatives for your consideration. This matter is especially timely because December 10-17 is Human Rights week (a specific proposal regarding that is made in item 4).

1. Creation of a Human Rights Foundation

This proposed foundation would be modeled on the Inter-American Foundation which is a quasi-governmental organization that receives its money through Congressional appropriation, but has very loose ties with the government, and makes its own policies. This foundation would:

- funnel money to the international human rights organizations and to national human rights organizations operating in other countries (as well as those in the US) based on the value of their work;
- provide badly needed support for refugee resettlement efforts, including the retraining (language, professional standards, etc.) and placement of skilled and professional political refugees. In particular, the Foundation could finance the resettlement of such key individuals -- not in the US where their talents are wasted -- but in other Third World nations badly in need of these skills. Thus the classic "brain drain" would be redirected in the interest of promoting both human rights and economic development. The dimensions of this problem are formidable -- reports are, for example, that 40 percent of the Argentine Physics Society has left Argentina as political refugees;
- support the work of the non-governmental organizations (NGOs) in the multinational organizations, particularly in the UN, where they are a crucial source of impetus and of information on human rights violations;
- set up a data bank where the growing volume of information on alleged human rights violations (and improvements) can be collected, checked and analyzed.

DECLASSIFIED

Per: Rac Project

ESDN: NLC-126-10-7-1-2

BY JCS MARA DATE 3/29/83

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- issue an annual study reporting on and analyzing trends in human rights conditions during the previous year. While other organizations already do this (Freedom House for example), every additional source is helpful. The lack of accurate information is still a hindrance to the programs of multinational institutions as well as to our own programs;
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~~CONFIDENTIAL~~

3

RECOMMENDATION:

That you authorize detailed development of this proposal.

APPROVE _____

DISAPPROVE _____

To be presented as a Presidential initiative _____ ✓

*Fritz
explore*

Find a member of Congress to father it _____

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~~CONFIDENTIAL~~

5

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RECOMMENDATION:

That you authorize me to work with Jim Fallows in preparing a short speech draft for delivery during Human Rights Week.

APPROVE

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DISAPPROVE

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~~CONFIDENTIAL~~

6

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RECOMMENDATION:

That you request the Vice President to review the feasibility of making the ratification of the Genocide Treaty a high Administration priority immediately following resolution of the Panama Canal.

APPROVE

✓

DISAPPROVE

6. Issuance of a Human Rights PD

Attached at Tab A is a draft human rights PD. It formalizes our human rights policy as it now stands, including the positive targeting of foreign assistance to countries with good records on human rights. It also directs a detailed study of the problems connected with implementation of the Harkin amendment in the IFIs, and the problems and reactions we have encountered in the banks over the last several months. I believe that it would be useful to issue this document, not only for the substance it contains (some of which is not new) but also for reasons of bureaucratic morale. Lack of a guiding PD is more and more often cited in the bureaucracy as a reason for the lack of direction and initiative in implementing a human rights policy.

RECOMMENDATION:

That you sign the PD at Tab A.

Fritz comment

Jack Anderson and Les Whitten

Human Rights Effort Losing Its Zeal

President Carter's voice in the wilderness, defending the human rights of the world's oppressed people, is losing its zeal. He has been listening to the backroom counsel of his diplomatic advisers who claim moral posturing makes poor foreign policy.

Here are a few examples:

- The President has muted his criticism of the Kremlin's human rights record. A pleased Chairman Leonid I. Brezhnev has responded with a secret message agreeing to step up the disarmament negotiations. The message was delivered Nov. 18 by Soviet Ambassador Anatoly F. Dobrynin.

- Carter also stroked the shah of Iran during their recent meeting. After, the President put out the word that he was "encouraged" by the improving human rights environment in Iran. The shah responded by ordering his secret police to crack down on dissidents. Police goons in civilian dress have attacked the Shah's critics with guns, knives and truncheons.

- The United States has provided Nicaragua's puffed-up dictator, Anastasio Somoza, with the munitions to keep his people in submission. Yet the Carter Administration defended these military offerings on Capitol Hill and sent a medical evacuation plane to Nicaragua last summer to fly Somoza to a Miami hospital for treatment. This made it clear to Nicaragua's oppressed people whose side Carter was on.

- In a series of columns beginning June 4, 1975, we revealed the first grim details of Cambodia's subjugation. We reported that Communist firebrands had turned the country into

a nation of cattle. Cities had been emptied and the population herded into the hinterland, we disclosed, with no thought for people's welfare. Hundreds of thousands had fallen by the wayside. This must go down in history as the greatest atrocity since the Nazis herded Jews into the gas chambers. Yet the Carter administration has rejected entreaties to awaken the world conscience to the Cambodian horror.

- For years, we have been reporting on the atrocities of Uganda's Idi Amin, who appears to be a comic-opera figure but is no laughing matter. His goons have slaughtered an estimated 150,000 of his subjects, often for frivolous reasons. Yet we found out that a dozen of Amin's crack airborne police were getting their helicopter training in Texas.

Now congressional investigators are running down evidence that some Ugandan trainees in this country are tied to Amin's personal execution squad. In Uganda, this killer squad is known euphemistically as the State Research Bureau.

At least 21 Ugandans have received communications training, for example, in Melbourne, Fla. A secret staff memo prepared for Reps. Don L. Bonker (D-Wash.) and Donald J. Pease (D-Ohio) alleges that 13 of the trainees worked for the notorious State Research Bureau.

The memo claims four others were employed by the Ministry of Defense. Another worked for the Ministry of Information, although he may be an undercover agent for the research bureau.

Another group of Ugandans received commercial flight training at Embry-Riddle University in Daytona Beach, Fla. They were sponsored, according to congressional evidence, by Amin's Police Air Wing.

Still another group of Ugandans are taking flight training in Vero Beach, Fla., from Flight Safety International. A spokesman for the firm told our associate Larry Kraftowitz that the trainees are students, but investigators have information that they are members of the Ugandan armed forces.

The memo charges that U.S. officials have helped promote the brutal repression in Uganda by "lax" monitoring of training contracts and Ugandan credentials.

Concludes the memo: "The U.S. is acting in a way which is totally inconsistent with its policy concerning human rights and its policy of withholding aid to the government of Uganda."

Footnote: A State Department spokesman said as far as he was aware the trainees at Vero Beach and Melbourne came to the United States as "government employees on official business." Spokesmen for the flight schools said they were unaware of the backgrounds of the Ugandan trainees.

Three of the Ugandans training at Melbourne, incidentally, asked for political asylum in the United States. The three, say our sources, were the only Christians in the group and feared Amin's purge against Christians.

THE WHITE HOUSE
WASHINGTON

December 5, 1977

The Vice President

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

HUMAN RIGHTS

~~CONFIDENTIAL~~THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS

Fritz → 3619
action &
Comment J.C.
7901
Dec. 3, '77

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 2B.

SUBJECT: Human Rights

Outlined below are several human rights initiatives for your consideration. This matter is especially timely because December 10-17 is Human Rights week (a specific proposal regarding that is made in item 4).

1. Creation of a Human Rights Foundation

This proposed foundation would be modeled on the Inter-American Foundation which is a quasi-governmental organization that receives its money through Congressional appropriation, but has very loose ties with the government, and makes its own policies. This foundation would:

- funnel money to the international human rights organizations and to national human rights organizations operating in other countries (as well as those in the US) based on the value of their work;
- provide badly needed support for refugee resettlement efforts, including the retraining (language, professional standards, etc.) and placement of skilled and professional political refugees. In particular, the Foundation could finance the resettlement of such key individuals -- not in the US where their talents are wasted -- but in other Third World nations badly in need of these skills. Thus the classic "brain drain" would be redirected in the interest of promoting both human rights and economic development. The dimensions of this problem are formidable -- reports are, for example, that 40 percent of the Argentine Physics Society has left Argentina as political refugees;
- support the work of the non-governmental organizations (NGOs) in the multinational organizations, particularly in the UN, where they are a crucial source of impetus and of information on human rights violations;
- set up a data bank where the growing volume of information on alleged human rights violations (and improvements) can be collected, checked and analyzed.

DECLASSIFIED

Per: Rac Project

ESDN: NLG-126-10-7-2

BY 125 NARA DATE 5/20/13

~~CONFIDENTIAL~~

2

The resources of the data bank would be available to NGOs, governments and multinational institutions as well as responsible individuals;

- issue an annual study reporting on and analyzing trends in human rights conditions during the previous year. While other organizations already do this (Freedom House for example), every additional source is helpful. The lack of accurate information is still a hindrance to the programs of multinational institutions as well as to our own programs;
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~~CONFIDENTIAL~~

3

RECOMMENDATION:

That you authorize detailed development of this proposal.

APPROVE _____ DISAPPROVE _____

To be presented as a Presidential initiative ✓

*Fritz
explore*

Find a member of Congress to father it _____

2. Improve Relations with Congress

Relations between Congress and the Administration in the human rights area are at a very low ebb. It is hard to accept, given your own deep commitment to this issue, but most human rights advocates in Congress believe that, were it not for their continuing pressure and vigilance, the Administration would renege on its commitment to human rights. The situation has been complicated by the fact that the Right wing has recognized this issue as a golden opportunity to turn a "liberal" issue to its own ends. It became a common pattern this year for members to be enthusiastically proposing and voting for human rights restrictions on aid measures and IFI funding bills, only to turn around and vote against final passage of the bill. Thus we face a strange alliance of both ends of the ideological spectrum that caused us so much difficulty during this past year with the IFI appropriations and other issues.

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Before relations deteriorate further, we should initiate a series of working meetings -- chaired by the Vice President -- with the prominent Congressional human rights advocates from both Houses and both parties. A specific agenda for these meetings would be set through staff consultations, but with active Congressional participation. It would be made clear to those invited that they were not being called to the White House to

~~CONFIDENTIAL~~

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hear the Administration's position, but to think through the problems involved in implementing legislation now on the books, (as well as other problems) and to actively participate in working out mutually satisfactory resolutions. As a starting point, there should be at least one meeting devoted to bilateral assistance policies (economic and military), and one to the IFIs, with explicit discussion of what Congress really expects from the US delegations. There should also be a meeting devoted to policies toward the USSR and Eastern Europe, where we might begin to build a consensus about the Jackson-Vanik problem. Such a series of meetings is most appropriate to the White House, not only because we are trying to build trust in Administration's policies in this area, but because ultimately, we would be asking the Members to rethink their own legislation -- something that could not be done effectively at a lower level.

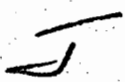
RECOMMENDATION:

That you ask the Vice President to chair a series of meetings as outlined above, with staff help from the NSC and the State Department.

APPROVE



DISAPPROVE



3. Targeting of Foreign Assistance to Countries that Respect Human Rights

Existing statutes prescribe certain rules which must be followed in allocating US foreign assistance (including Security Supporting Assistance, AID programs, PL-480 and others), political-military interests impose additional constraints, as does your recent decision to target US assistance to poor people, primarily in low income countries. Nevertheless, within these boundaries, there is still flexibility to channel more money and aid to countries where there is a good, or improving, human rights record. We follow this policy now in theory, but not in practice. The country-by-country and program-by-program budgeting process has simply not provided for this kind of analysis. We should be able to look at overall assistance levels (from all programs) and over a period of years be able to point to clear trends -- decreases for egregious violators, increases for others.

RECOMMENDATION:

That you approve this policy change.

Fritz assess

APPROVE

DISAPPROVE

~~CONFIDENTIAL~~

5

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Fritz comment

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THE WHITE HOUSE
WASHINGTON
December 5, 1977

Administrator Costle

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson
RE: FEDERAL FACILITIES

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

cc Costle

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE PRESIDENT HAS SEEN.

United States
Environmental Protection Agency
Washington, D.C. 20460

*Doug.
Can I help?
J*

December 2, 1977

The Administrator

*I'll bring this
up at Cabinet
mtg
J*

MEMORANDUM TO THE PRESIDENT

FROM: Douglas M. Costle

FEDERAL FACILITIES: I wanted to let you know what the response has been since we notified eleven Federal agencies on October 19 of major facilities out of compliance with air and water pollution control requirements and of the possibility of judicial action if the facilities continued to violate the law. To date, although seven of the eleven agencies notified have responded positively (Agriculture, Air Force, Army, Defense Logistics Agency, Energy, NASA and Veterans), only eighteen of the 149 violations have been corrected.

A large, stylized handwritten signature, likely of Douglas M. Costle, written in dark ink.

Electrostatic Copy Made
for Preservation Purposes

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 5, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

BARRY JAGODA *Barry*

SUBJECT:

Energy Speech Audience Size

About 65 to 66 million persons viewed your November 8 Oval Office address on energy, according to the Nielsen ratings just made available today. The Nielsen people put out ratings "overnight" for Los Angeles, Chicago, and New York and we had projected a few weeks ago that about 50 million people watched based on these three big city ratings. That quick projection was a considerable underestimation.

#

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

DOMESTIC POLICY STAFF WEEKLY
STATUS REPORT

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
/	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

**Electrostatic Copy Made
for Preservation Purposes**

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 2, 1977

9

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Weekly Status
Report

AGRICULTURE AND RURAL DEVELOPMENT

Farm Strike: We have met with Secretary Bergland to discuss this situation. He is preparing briefing materials for you. We will also be proposing that you invite a small group of key farm leaders to the White House within the next few days to discuss the situation and the Administration's policies for dealing with it.

Cotton Set-Aside: The Inter-agency Working Group is preparing a decision memorandum for you on this subject. It is due here by December 9th with a decision to be announced by December 15th.

Sugar: The USDA has still not ironed-out the several problems that have arisen over implementation of the de la Garza program. We are continuing to work with them toward that end... but it's a struggle.

Rural Policy: Within the next two weeks, we will be sending you an issue identification memorandum on this topic.

EMPLOYMENT

Youth Employment Private Sector Initiative: Proposal due to you by the end of the week.

TRANSPORTATION

Adams Memo: Together with OMB, we are analyzing the memo. Report to you by December 6.

55 Mile-Per-Hour Speed Limit: Jagoda and Granum are reviewing script and handling scheduling for a taped message on this program.

COMMUNICATIONS

Minority Ownership: We are completing work on a package of steps to increase minority ownership of radio and TV outlets and will have a report to you shortly.

Reorganization: We have resolved most of the interagency disputes over the distribution of the functions of the Office of Telecommunications Policy but are still mediating between Defense and Commerce on some national security functions.

HEALTH

Rural Health Clinics Bill: Bill passed both houses of Congress. We have requested a signing ceremony.

CIVIL SERVICE MATTERS

Hatch Act Reform: The interagency task force continues to meet with the Senate staff to discuss amendments. We are also working with Frank on overall legislative strategy.

Civil Service Reform Initiative: The final decision memorandum is being drafted by Chairman Campbell and OMB. They hope to have it to you by December 10. We continue to follow the project closely.

Reorganized Employees: Jim McIntyre and Alan Campbell are preparing memo for their signature to be sent to agencies reaffirming your pledges that federal employees should not be discharged or demoted due solely to reorganizations. Memo for approval will be to you soon.

REGULATORY REFORM

Executive Order on Regulatory Process Reform: Redrafted order was published as a proposal, for comment, in the Federal Register, on November 18 -- the first time a President has ever formally sought public reaction before putting an Executive Order into effect. Initial press response is quite favorable. Comments are due by December 18, after which a final order will be sent to you for your signature, to take effect January 1, 1978.

Agency Accomplishments: OMB has collected agency regulatory reform/paperwork reduction accomplishment reports. An agency-by-agency analysis will be prepared for you. Dick Pettigrew's staff has arranged a staff press briefing for December 7.

OPENNESS AND INTEGRITY IN GOVERNMENT

Lobby Law Reform: House mark-up and Senate hearings will be held in January. We continue to work on policy amendments and legislative strategy with Frank's staff and an expanded interagency task force and push for a strong bill. We plan to meet with key House members next week.

Ethics in Government Legislation: We are working with Justice, OMB, DOD, and Frank's staff to develop strategy for early House action on the Administration's ethics in government bill and message, and to assess options vis-a-vis S.695, a potentially competing bill passed by the Senate. S.695 would forbid officials involved in preparation or administration of an acquisition contract from accepting employment with the contracting firm, in any capacity, for two years after leaving federal service. DOD and other agencies are very concerned about the bill. We will get a memo to you on its status by the end of the month.

Revision of Security Classification System: We have completed reviewing the 504 specific comments that were received on the draft that incorporates many of the suggested changes. We propose now to consult with the affected agencies and interested Congressmen and to get you a decision memo on the key issues in late December.

GOVERNMENT REORGANIZATION

EEO Consolidation: We are working with OMB to revise the EEO reorganization plan and secure adequate support, in accord with your instructions. A new decision package will be drafted which will include a management improvement plan and schedule. The OMB Civil Rights Reorganization Team is meeting with the major interest groups in order to solidify the support for the proposed plan.

ENERGY

Options Memo on Oil Imports: Jim Schlesinger may be speaking with you on this. We will review his suggestions.

Balance of Payments Decision Memo: Memo to you by December 9.

NEA: Working daily on legislative strategy with Secretary Schlesinger, Frank Moore, Hamilton and the Vice President.

Energy Impacts: We are working with the Department of Energy, OMB and Jack Watson's staff on an interagency review of federal programs to assist communities facing demands that result from energy development.

Nuclear Licensing Reform Initiative: Initiative is still in interagency review.

ERDA Authorization Legislation: Congress will not attempt an override of your veto. Substitute legislation has been scheduled for House floor action Tuesday, December 6. Sections dealing with Clinch River and uranium pricing (which had a one-house vote) have been deleted entirely. Working With Frank Moore's staff to delete the other two house vetoes. Prospects for Senate action still unclear.

NATURAL RESOURCES

National Heritage Proposal: Decision memorandum will be completed this week.

Dam Safety: Announcement of dam safety inspection program this week. ✓

Wetlands: Memo on administrative actions to protect wetlands in preparation for submission to you next week.

Water Pollution Bill: Congressional staff now finishing drafting the conference report. Floor action expected in mid-December.

Wilderness: Conferees meeting on Forest Service wilderness areas have agreed on all areas except the Kalmiopsis in Oregon.

INDIAN POLICY

Indian Policy: We met with Interior Department to discuss development of Indian policy statement. They are preparing a detailed proposal.

ECONOMIC AND BUSINESS

Tax Reform: We will be working with Treasury to develop option packages for consideration.

Economic Policy: We are working with CEA and OMB to develop a coordinated economic strategy.

Steel: We continue to work with Tony Solomon. ✓

HOUSING AND URBAN DEVELOPMENT

Urban Policy: We continue to meet intensively on urban policy and are reviewing the URP working staff draft to determine the quality of its policy content as well as its budget implications.

Condominium Consumer Protection Act: A memorandum has been submitted to you on this.

HUMAN RESOURCES

Welfare Reform: The meeting with the welfare subcommittee was very well received by the members of Congress. Our primary concern is that the committee still seems to be leaning toward splitting the consideration of the jobs and income components between the Ways and Means Committee and the Educational Labor Committee. We are working with HEW and Labor to convey to the members our strong view that the ad hoc subcommittee should deal with both components.

Social Security: The social security conference began on Thursday morning. Your letter and one from Secretary Califano have been delivered to the members. We won a big vote in defeating the motions to instruct the House conferees on the retirement test and the education tax credit. We take this as an indication that the members are becoming concerned about the cost of the benefit increases in the two bills.

Comparability Pay for Federal Doctors: As you requested we looked into the delays in developing a government-wide policy on pay for doctors and dentists. OMB is taking the lead in the inter-agency effort to develop this policy. We will be working with them to insure that a policy is developed within the next year thereby obviating the need for future temporary extensions of authority for particular agencies.

Mandatory Retirement: We were near an agreement in the mandatory retirement conference this week. Congressman Pepper was prepared to compromise with the Senate on exemptions but he could not carry his House colleagues. The issue will probably be resolved in February.

EDUCATION

Military Academies: We have completed the study of curricula at the Military Academies as you requested. NSC staff has reviewed the draft and the final report is on its way to you.

MISCELLANEOUS

Foreign Gifts: GSA and State have agreed on regulations to centralize the control and disposal of foreign gifts. These draft regulations are in the OMB/agency clearance process. Temporary regulations, having the force of law, will be published within a week. ✓

Executive Committee: I continue to work with the Vice President and members of the Executive Committee on the agenda for next year.

Budget: We continue to work closely with OMB on policy/legislative implications of budget options and decisions.

Executive Branch Reports to Congress: Along with Jack Watson's staff, OMB and GAO, we are working with the agencies and individual congressional committees to develop a systematic approach to examining and evaluating these reports. We hope to be able to reduce the executive branch's reporting burden by consolidating similar reports and eliminating those that are no longer useful. As you directed, we will ask Commerce to determine the usefulness of the annual report on the operation of the Automotive Products Trade Act of 1965.

Congressional Veto Message: We continue to work with Bob Lipshutz and Justice on a message to be submitted just before congressional adjournment.

GSA Space Requests: As you directed, I will meet with Jay Solomon concerning pending requests of federal agencies for additional space.

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Hamilton Jordan
Jody Powell

STATE OF UNION ADDRESS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

return orig to me to read

	MONDALE
	COSTANZA
	EIZENSTAT
/	JORDAN
	LIPSHUTZ
	MOORE
/	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
/	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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for Preservation Purposes

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON
December 3, 1977

Jim
Economics -
(Brief foreign)
Check this out
E. V. Pres -
JC

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *Jim*

SUBJECT: State of the Union Address

I have consulted with Stu, Charlie Schultze, and Zbig in preparing this list. These are the questions my staff would like to discuss with you on Wednesday.

1) The most important decision to make is whether the speech should focus on economics, as Charlie, Stu, and I would prefer, or whether it should be about something else.

The disadvantage of this approach is largely one of timing. If you believe, as Secretary Blumenthal has argued, that you must get your tax proposals before the Ways and Means Committee as quickly as possible, then you would not want to hold them until the State of the Union (which is now scheduled for the 24th-26th of January). Since all of us agree that it is important to explain your general economic strategy -- either in a written message or in a speech -- at the time you make your tax proposals, that would preempt most of the economic material you might cover in the speech.

The advantages of focusing on economics are these:

a) this single theme would give the speech a coherence it would otherwise lack; there is no other single theme that could tie together the other elements of our policies.

b) it would also give the speech an element of suspense and drama, as it became known that you were going to unveil your broad economic plan and your specific tax proposals. So far we have had good luck keeping the contents of speeches under wraps; inevitably some of the details would hit the newspapers beforehand, but there would still be enough in the speech to give the public a strong reason to watch.

c) it will be difficult to explain your economic plans fully -- as they should be when you make your tax proposals -- any earlier in the month. You will have been on tour until the 7th or the 8th, appearing on the tv news each night; you may want to make a report on that trip; you may feel you have

to talk about Panama soon after your return. For reasons of scheduling, fatigue, and possible over-exposure, it makes little sense to try to fit in another speech, about the economy, before the State of the Union.

d) we're discussing a difference of two or two-and-a-half weeks, between the earliest date you could present your tax proposals (immediately on your return) and the State of the Union itself. Unless those two weeks make a crucial difference, the advantages of waiting until the State of the Union seem clear.

2) If the speech is to focus on economics, it should have these characteristics:

a) you should serve as a teacher, helping explain why these issues are important, how they are connected, and the thinking that lies behind our program. Instead of speaking in abstractions you should reason out from the effect on each of us as individuals. Few people are concerned about the bankruptcy of the Social Security System; what worries them is that they won't get any return on the money they've been paying in for all these years.

b) above all, you should emphasize the coherence of our plan.

c) although the speech will be given before the Congress and will concern your legislative intent, we should try hard to avoid sending coded messages to legislators, at the expense of communicating with the public. The test for the material and the phrasing should be what you, as the Nation's elected leader, want the public to know about your plans for the coming year.

d) the speech should be short -- perhaps twenty minutes -- and while it must make brief mention of the range of your plans apart from economics, it should do everything possible to focus on this one theme.

3) Its points might include:

a) an introduction, in which you could explain why we must deal with the problem you're about to discuss. For the first time in more than ten years, the moral crises that have preoccupied our nation are over, their lessons learned. We are now coming to grips with more intractable problems, ones we have preferred to ignore because they offered no easy solutions. We now have no alternative but to cope with

issues like unemployment, inequality, inflation, welfare, taxes, capital formation, energy, and the like; even though they offer no clear-cut moral guidelines for resolution, our future strength and health depend on facing them now.

b) our over-all economic strategy, including its underlying reasoning and a set of realistic goals we hope to attain.

c) taxes -- reform and reduction.

d) our anti-inflation strategy.

e) energy, as part of this approach.

f) welfare reform, as connected with job creation.

g) our urban policy, again connected with jobs.

h) international economics, as they affect each of us every day.

i) the farms.

4) The other subjects you should allude to, at the beginning or end of the speech, are:

a) our major foreign policy initiatives -- SALT, Panama, and the Middle East -- and our over-all philosophy.

b) health insurance.

c) government reorganization.

d) openness and integrity in government.

5) If you want to discuss foreign policy more extensively, Zbig suggests this list under the general heading "New Orientation of US Foreign Policy":

a) Change in East/West and Soviet/American Relationship

i) Arms Control and Arms Limitation

SALT

CTB

Indian Ocean Negotiations

Arms Transfer Policy

ii) Western Europe/NATO/EC

Reaffirmed and strengthened commitment
to NATO

Reaffirmed our commitment to European
unity

b) Creative US Involvement with Third World

i) Panama

ii) African initiatives

c) Global Issues

i) Human Rights

ii) non proliferation

d) Middle East/Geneva

6) I am not submitting an outline of a Panama speech
at the moment because:

a) I believe that resolving the State of the Union
issues will take all the time we have available with you;

b) we have been following your previous instructions,
that we draft a speech answering the strongest objections
to the treaties, and that we include some of your comments
from the briefings. If you have any changes in these guide-
lines please let us know.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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for Preservation Purposes**

MINUTES OF THE CABINET MEETING

Monday, December 5, 1977

The thirty-sixth meeting of the Cabinet was called to order by the President at 9:03 a.m., Monday, December 5, 1977. All Cabinet members were present except Mr. Bergland, who was represented by Deputy Secretary of Agriculture John White; Dr. Brown, represented by Deputy Secretary of Defense Charles Duncan; and Ambassador Young, represented by Executive Assistant Anne Forrester Holloway. Other persons present were:

Joe Aragon	Dick Moe
Barbara Blum	Frank Moore
Zbigniew Brzezinski	Richard Pettigrew
Landon Butler	Jody Powell
Hugh Carter	Frank Press
Stu Eizenstat	Charles Schultze
Jane Frank	Jay Solomon
Richard Harden	Claudia Townsend
Bob Lipshutz	Stansfield Turner
	Jack Watson

The President asked for comments from Cabinet members, beginning with the Deputy Secretary of Defense:

1. Mr. Duncan said that Dr. Brown is in Brussels attending the Defense Planning Committee (DPC) of NATO. His discussions are aimed at maintaining the momentum of NATO; and to support the long-term NATO initiatives which will be reviewed at the NATO meeting in Washington next spring.

-- The supplemental appropriations bill will be sent back to the House next week. The bill deappropriates money for the B-1 bomber. Mr. Duncan believes that the Administration's position will be sustained.

-- DOD signed a contract last week with the Technology Development Corporation of Southern California, which was the second largest contract ever awarded to a minority business enterprise by the Air Force.

-- The President said that he is reviewing options to have approximately 17% women in the military services by 1983, compared with 3% at the present time. He believes that there will be a dramatic increase in women in uniform in the next few years.

2. Ms. Kreps said that she visited Poland last week to discuss Polish-American agreements on tourism, small business, industrial cooperation, and technological information. Discussions are continuing on all these subjects, and she doubts that any final agreements will be reached in time for the President's trip to Poland at the end of this month. She reported that the Poles are seeking short-term extensions of credit to help the country recover from bad harvests, and that they are looking for ways to reduce their trade deficit. She was pleased by the candor with which they presented information, and she described her discussions with the Trade Minister and Prime Minister as productive. Ms. Kreps said that she made no commitments but thinks that the President will be asked to extend Commodity Credit Corporation (CCC) credits; Ms. Kreps said that she will give recommendations to the President on the subject before he leaves for Poland. She said that the Poles are looking forward to his visit, and that they expressed a genuine desire to work with us. Ms. Kreps will also prepare a detailed report on her trip for the Policy Review Committee.

3. Mr. Adams said that DOT is following up on the Sohio (oil pipeline) project.

-- He is working on fuel economy standards for buses, trucks and vans. The Department hopes to promulgate a Notice of Proposed Rulemaking by mid-December. This issue is controversial because the industry is considerably more diversified than the auto industry.

-- The President asked whether he should do anything to reassure Joan Claybrook, Administrator of the National Highway Traffic Safety Administration, of his support for her; Ms. Claybrook was asked to resign by her former colleague, Ralph Nader. Mr. Adams said that he was sure that she would appreciate a phone call from the President. Mr. Adams commended Ms. Claybrook for her competence and "spunk."

4. Mr. McIntyre said that OMB is distributing a bulletin outlining proper uses of consultants. He urged the Cabinet to review the use of consultants in their agencies. The President said that we are wasting an enormous amount of money on consultants, and that if we do not do our own housekeeping, Congress will take the matter out of our hands.

5. Ambassador Strauss said that the Japanese are arriving later this week to discuss trade. He urged all Cabinet members with whom they will meet to make clear that this round of discussions is just another step in the negotiating process, and that the U.S. is not interested in a trade package which is not substantial.

-- He and Messrs. Blumenthal and Jordan attended last night a private dinner honoring the Israeli and Egyptian Ambassadors. Each Ambassador praised the role of this Administration in promoting peace in the Middle East.

6. Dr. Schlesinger said that the winter continues to be mild, with above normal temperatures in much of the country. He anticipates no great difficulties unless there is an extraordinarily cold February and March.

-- He described the progress in the Senate/House Energy Conferences. The tax portions may be marked up next week, and the full Senate may begin debate on the first three bills. The Conference will then proceed to consider natural gas. The full House will defer action until all five bills are ready.

-- Dr. Schlesinger said that the Sohio project is "on track." The remaining stumbling block is negotiation between the State of California and Sohio on flue gas scrubbers on one plant.

-- DOE is reviewing the Defense Production Act with a view to expediting production of rigs. There is a great shortage of on-shore oil rigs, compared with a modest surplus capacity in off-shore rigs.

7. Ms. Harris said that she is sending an expanded memorandum to the President on national flood insurance.

8. Dr. White said that Mr. Bergland is in Tuskegee, Alabama today.

-- Despite various actions by the Administration, Dr. White said that farm prices are still low. He said that farmers' strikes are still planned for this month, although enthusiasm for the strike seems to be diminishing.

-- Last week, Mr. Bergland swore in Assistant Secretary for Administration Joan Wallace, the first Black women Assistant Secretary in USDA history. Ms. Wallace was formerly a deputy to Vernon Jordan.

9. Mr. Blumenthal said that Larry Woodworth's condition following his severe stroke yesterday morning is poor. The President said that he spoke on the telephone with Mr. Woodworth's surgeon Sunday evening. The President praised Mr. Woodworth as "one of the finest, most competent, most dedicated public servants this country has ever had." Mr. Blumenthal said that Mr. Woodworth's credibility and skill on the Hill are unequalled, but that his substantive and technical work will be carried on by his staff.

-- Mr. Vance said that he would like to read the steel proposals before they are released tomorrow. The President asked Mr. Blumenthal to give Mr. Vance a copy of the report today; Mr. Blumenthal said he would do so immediately.

-- Mr. Blumenthal said that he and Messrs. Schultze and Eizenstat have been working on the Administration's overall economic policy, and that discussions with Ms. Kreps, Mr. Marshall and others on that subject are underway.

-- Mr. Vance asked whether he should raise economic issues with German officials with whom he will meet at the end of the week. Mr. Blumenthal said that the key economic figure in the German government is Foreign Minister Genscher, who is ill and, therefore, unable to attend the meeting.

10. The President commended the Vice President and White House staff for an outstanding job of preparing analyses and proposals for next year's Presidential agenda. The President said that he had carefully reviewed their draft over the weekend and substantially agreed with it. He suggested that a thorough Cabinet briefing on the subject should be scheduled soon.

-- The President said that there will not be a Cabinet meeting on Monday, December 26. On December 19, there will either be a regular Cabinet meeting or a meeting devoted exclusively to a discussion of the economy. The President plans to leave December 21 for Plains, Georgia. He will return after Christmas and depart on December 29 for his foreign trip. He will return on January 6th.

11. The Attorney General described the Justice Department's recent success in convicting eleven out of fourteen major criminals in New York. He noted that the U.S. Attorney personally prosecuted the case, an example for other U.S. Attorneys and one which prompted the Attorney General to call and congratulate him. The interest in this particular case began when the President reacted to a

New York Times Magazine article this summer which discussed the difficulty of convicting organized crime leaders.

-- The President said that he regrets very much the withdrawal of FBI Director-nominee Frank Johnson for reasons of health.

12. Mr. Marshall said that OSHA has already eliminated all reporting and record-keeping requirements for small firms. This week, further reforms will be announced. The Labor Department will eliminate over 1,000 safety regulations that are not directly related to worker safety and health. These additional reforms will make it possible for OSHA to concentrate on higher priority projects. Mr. Marshall noted how difficult it is to revoke regulations.

-- The coal negotiations are not going well and a strike is virtually certain to occur this week.

-- Mr. Marshall stressed the need for an effective anti-inflation policy and said that the federal government should set an example for the private sector. If we do nothing, there will be escalating demands for wage and price controls or for a tighter monetary policy, both of which proposals are fraught with severe practical and political difficulties. He has briefly discussed with the President a better inflation forecasting system within the federal government and suggested that each Department do the forecasting in certain areas (e.g. HEW on hospital costs; DOL on construction costs, etc.). He is working on the details of such an arrangement with Mr. Schultze.

-- The President asked each Cabinet member to assess anything he or she can accomplish in this area and to make recommendations by phone or in writing to Mr. Schultze by Thursday. The President plans to spend time on Friday with Mr. Schultze and others on this subject.

-- Ms. Harris said that HUD is already cutting housing costs. She expressed her concern with DOL's handling of Davis-Bacon determinations on "prevailing wages" in various jurisdictions. She said that this determination often inflates labor costs. Mr. Marshall said that the issue is an extremely complicated one, and that DOL is reviewing it.

-- The President said that it is important not to let constituency groups dominate an agency's handling of issues that have inflationary impact. Mr. Marshall responded that an inter-departmental policy can overcome to a great extent these constituency pressures.

13. The President said that Ambassador Young appeared on Face The Nation yesterday, and those who saw it said that he did a good job. Mr. Young made a strong statement against Cuban involvement in Africa.

14. Dr. Brzezinski described recent front-page pictures and stories about Vietnamese refugees being turned away from various countries around the world. He said that this Administration is making an effort to admit more refugees and to stimulate their admission to other countries.

-- Several NSC initiatives were submitted to the President last week on human rights which are intended to lead to a number of actions; including issuance of a Presidential directive to give greater emphasis to human rights through U.S. foreign aid policy.

-- An NSC meeting last week on the Comprehensive Test Ban resulted in a unanimous recommendation to the President on all but one issue.

-- NSC is planning a meeting on Southern Africa in light of recent developments in Rhodesia.

-- The economic and political situation in Portugal appears to be deteriorating.

-- Dr. Brzezinski described the trip that the President plans to take beginning on December 29. The trip will have two themes: International economic cooperation; and the relevance of democracy to contemporary problems.

- ° In Poland the President will discuss economic relations; Central European security; East/West matters; and family reunification. Human rights themes will also be discussed.
- ° In Iran the President will discuss the decision on oil prices, which will be made before he arrives; OPEC matters generally; bilateral nuclear issues; regional stability; and human rights.
- ° In India, issues to be discussed include economic development; nuclear matters; and regional stability.
- ° In Saudi Arabia, oil and OPEC; the Middle East; and the African horn problem.

- ° In France, the President will have a broad agenda, including North/South issues, East/West issues, SALT, the forthcoming economic summit, and European economic problems.
- ° The President will deliver two major speeches. The first, in India, will discuss democracy and development and their relevance to overcoming poverty as well as regimentation. The speech will be philosophic. We hope for the issuance of a joint statement with Prime Minister Desui at the conclusion of the visit. In France, the President's theme will be democracy and the modern industrial society.
- ° He asked the Cabinet for their comments and advice on any of these activities.
- ° Ms. Kreps pointed out that the distinction between market and non-market economies does not necessarily parallel the difference between democracies and non-democracies.

15. The President said that Mr. Schultze had given him a superb analysis of the unemployment problem which he had asked Mr. Schultze to distribute to the Cabinet.

-- Mr. Schultze described CEA's regulatory analysis program approved several month's ago by the President. Fifteen to twenty key regulations will be analyzed each year by a committee chaired by CEA according to a rather complex review process designed to meet the requirements of the Administrative Procedures Act. This effort should be helpful in combating inflation in the government. Mr. Blumenthal asked who would make the tough decisions when the regulatory analysis revealed large inflationary effects. Mr. Schultze responded that the process requires the publication and review of alternative procedures, some of which are less costly. It also raises the consideration of regulatory impact to a high policy level.

16. Mr. Califano said that the Congress is not likely to complete action on the Social Security legislation today. He commended Bill Cable of the Congressional Liaison Office and Dick Warden of HEW for their work in securing defeat of a provision relating to the earnings limitation on the House floor. He described several meetings with members of Congress, including a lunch with Senator Long last week. He said that it may be necessary for the President to make a few more telephone calls on the Social Security bill.

-- He said that there may be a problem getting a quorum in Congressman Corman's Welfare Subcommittee, but when the Subcommittee does meet, it is likely to be generally supportive of the legislation. The meeting last week of the President with committee members was very successful.

-- The HEW regulations on sterilization were well-received. This week HEW will begin preparing regulations on psychosurgery and fetal research.

-- HEW will take its first steps this week toward enforcing Title 9, which bans sex discrimination by recipients of federal funds. A great deal of time has been spent notifying school districts of the nature and thrust of the regulations.

-- Mr. Califano is preparing for his meeting with the President to discuss HEW's education proposals. He also requested a one-hour meeting with the President on health since a substantial amount of health legislation will be pending in Congress next year. The President asked that Mr. Califano talk to the Vice President on the health issues first before scheduling any meetings.

-- Mr. Califano described U.S. District Court Judge Pratt's order to HEW to send a letter to OMB asking for 531 more places in its Office of Civil Rights.

17. Mr. Andrus said that he concurred with the comments of Messrs. Adams and Schlesinger on the Sohio oil pipeline. The Interior Department has approved a right-of-way for the pipeline through federal land, a decision Congress has sixty days to review unless it waives its right to review. He said that the pipeline will be more than 1,000 miles long, 200 of which have not yet been constructed. The line will not be fully operational for some time, and when it is, will not be sufficient to handle all the Alaskan oil being shipped in tankers from Prudhoe Bay to the West Coast.

-- Mr. Andrus noted that we import coal from Poland in exchange for fertilizer. The Poles would also like to sell coal mining machinery in the U.S. and are meeting with OSHA concerning the safety features of their equipment.

-- He noted that the purchase by the Interior Department of approximately \$1 billion a year in park lands adds to inflation. Since legislation will be needed to change some of Interior's practices, Mr. Andrus plans to include some recommendations for legislative change in his report due Thursday to Mr. Schultze.

-- He noted that some consultants used by the Interior Department are very important in enabling the Department to fulfil various legislative requirements for review and assessment, e.g. special types of environmental impact assessments.

-- Mr. Andrus said that the period for comment on the 160-acre issue must run before the Administration will be able to make its position on the subject known. Mr. Schultze asked whether consideration was being given to raising the price of water only on land in excess of a homestead. Mr. Andrus said that this option was being studied.

18. Mr. Vance said that he will attend NATO ministerial meetings later this week. His remarks will address the future of NATO in the East/West context, including SALT, MBFR, and the just-completed Belgrade Conference. He will also hold several bilateral discussions, for example, with British Foreign Minister Owen on the South African question and with the Greeks and Turks on the Cyprus issue in the aftermath of the Greek election.

-- The State Department will announce at noon today that Mr. Vance will go to the Middle East at the end of this week for face-to-face meetings at the highest levels. Congressional reaction to the proposed trip is favorable.

-- There are three problem areas currently requiring close attention: (1) The Korean situation is difficult and will complicate our troop pull-out if the Tongsun Park issue is not resolved soon; (2) Philippines President Marcos' action against a political rival has exacerbated U.S. relations with that country, and negotiations will soon be getting underway on the subject of U.S. bases there; and (3) Congress is likely to take substantial action on the terrorism question soon.

19. The President informed the Cabinet that Mr. Costle said that only 18 out of 149 air and water violations involving federal agencies have been corrected. He asked that corrective action be taken promptly.

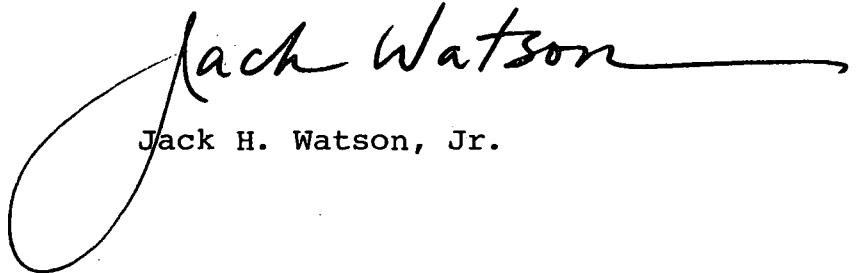
-- The President said that the year in Congress has been a good one, and that it is important for the Cabinet to review the Administration's activities and accomplishments in order to be able to comment on them. Messrs. Eizenstat and Watson distributed materials on the first year's accomplishments.

-- The President excused himself and asked Mr. Powell to describe briefly the materials just distributed:

- ° Mr. Powell said that the basic theme of the materials is that the Administration has been willing to tackle the tough problems despite the inevitable adverse political consequences of doing so. He urged Cabinet members to discuss the Administration's record and to stress not only the accomplishments of their own individual Departments but those of the President and other Cabinet members as well.

The meeting was adjourned at 11:12 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jack H. Watson, Jr.". The signature is written in dark ink and is positioned above the typed name.

Jack H. Watson, Jr.

EYES ONLY

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the President's
outbox today and are forwarded to you
for your personal information.

Rick Hutcheson

Attachments:

STR, Commerce, Interior,
Treasury, CEQ, CEA, UN,
Justice, Transportation, HEW,
HUD, Agriculture, GSA, Labor

CONFIDENTIAL ATTACHMENT

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

20506

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December 2, 1977

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

We concluded the signing of the Tropical Products Agreement with Mexico today and it went exceedingly well. This is a very meaningful agreement for President Portillo and they are very pleased. The Minister brought all the Mexican television outlets and media, etc., and while the dollars involved are not large, President Portillo and his Administration consider it a major agreement and a direct result of his visit with you earlier in the year.

The Japanese will be here on the 12th and will deliver what, in my judgment, will be an insufficient package of concessions. I have alerted them that it should not be done with finality, but only as another step in our negotiations to be concluded in the next few weeks.

On Wednesday, I went to Detroit and spent several hours with the UAW Executive Board and their political field people. It was a very positive day in terms of an overall presentation of the substantive things you are trying to accomplish as well as an opportunity for some hard political talk which they welcomed. We must do more of this on a regular basis and it should not be delayed.

The California matter we discussed after the Cabinet meeting looks like it is on its way to resolution and fortunately, we accidentally got hold of it before it was too late. I spent an additional hour or so with Governor Brown's man, Tom Quinn, whom you may recall. It was an unbelievable conversation and I will go over it with you at some appropriate time.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

December 2, 1977

"FYI" 5

REPORT TO THE PRESIDENT

Secretary's Trip to Poland

Secretary Kreps will be reporting at Monday's Cabinet Meeting on this week's meeting in Warsaw of the Joint American - Polish Trade Commission. Preliminary reports indicate the session was quite constructive.

Interagency Council on Minority Enterprise

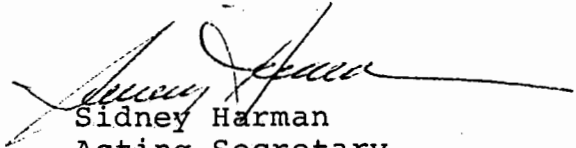
Consistent with your broad mandate to the Interagency Council for Minority Business Enterprise in September, we have been actively involved with all major Federal agencies concerning their initiatives and support of an aggressive Federal effort in this area. Our next meeting will be on December 15 and will focus on agency progress, particularly procurement initiatives to double Federal minority procurement by the end of Fiscal Year 1979. We have also been actively involved in discussions with virtually all interested groups, both public and private, on their ideas and proposals concerning minority economic development which should be supported by the Federal Government.

Government/Industry Cooperation

Key Department of Commerce officials participated this week in the fourth Environmental Protection Agency/Department of Commerce Conference with Industry on energy conservation and materials recycling. These conferences have featured presentations by firms which have developed especially innovative and cost-effective programs for reducing energy consumption and achieving pollution abatement through resource recycling. We believe the conferences have been particularly effective as an EPA/DOC cooperative effort to improve government-business relationships in this area.

Energy Legislation

Supporting the implementation of an effective and equitable national energy program remains a high priority effort of the Department; three Department principals made speeches this week urging support for the Administration's energy proposals.


Sidney Harman
Acting Secretary

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

December 2, 1977

"FYI"

21

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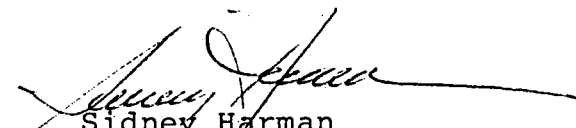
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Sidney Harman
Acting Secretary

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Secretary Andrus

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hatcheson

RE: FLOAT TRIP

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

cc Andrus

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

X	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

eyes only

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next day

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<input type="checkbox"/>	WARREN



THE SECRETARY OF THE INTERIOR
WASHINGTON

December 2, 1977

Cecil
J

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of November 28

Frankly, I've been tied up with OMB most of the week, so I'll be brief.

I am more familiar with the executive chair in dealing with budget people, so I hope my irritation wasn't too obvious at the budget hearing. Jim is good to work with, but his hired guns go too far and then it becomes personal with them. You make the call and we will do our best to deliver.

SOHIO Pipeline routing from California to Midland, Texas, has been approved by Interior, Energy and EPA, and Doug Costle tells me that they are working closely with the state and don't anticipate any problems. I have been in touch with Governor Brown's office and they seem to be happy. No threat to blast your Energy Program.

We should start planning a float trip for you next summer, and I have the perfect one in mind. Your publicity has revolved around domestic crises and international affairs. We need to have the people see you floating a wild river and enjoying the environment. Besides, you will love the trip. (2 days)

ok-
Tentative


CECIL D. ANDRUS

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THE WHITE HOUSE
WASHINGTON
December 5, 1977

Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

EPG ACTIVITIES

CONFIDENTIAL ATTACHEMENT

THE WHITE HOUSE
WASHINGTON

P2
cc 16/11/11

~~CONFIDENTIAL~~



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

C

December 2, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. MONETARY AFFAIRS

a. Paris Meeting

Arthur Burns, Tony Solomon and I will attend a confidential meeting in Paris on Saturday with finance ministers, their deputies, and central bank governors of the U.K., Germany, France and Japan. The meeting will focus on exchange market developments and the world economic situation. We may hear proposals for large-scale U.S. exchange market intervention, either independently or in coordination with others, as a means of getting more exchange rate stability. I will stress the need to deal with fundamental factors in the situation -- e.g., energy, lower inflation rates, faster growth in Japan and Germany -- as the only effective way of achieving stability, and will reiterate our intention to limit U.S. intervention essentially to countering disorderly exchange market conditions. I expect the Japanese will come in for strong criticism from the Europeans, complementing ours, for their failure to deal effectively with their large current account surplus.

b. Exchange Market Developments

The market had anticipated the announcement Monday of a record monthly U.S. trade deficit (\$3.1 billion) in October and reacted calmly to it. Though the markets are still focusing heavily on the trade deficit outlook, trading has not been particularly heavy or unsettled this week. European intervention (mainly by Germany and Switzerland) has been moderate, and the Japanese have stayed out of the market since Monday, following very heavy intervention last week. The dollar is down slightly against the European currencies over the week as a whole, up slightly against the yen.

~~CONFIDENTIAL~~

Jan 2/15/80

c. Witteveen Facility

On Tuesday, the House Banking Committee postponed completion of its mark up until the Congress reconvenes in January, because of a series of last-minute surprise amendments dealing with the question of Bank "bail-outs". We are making progress on the appropriations issue, but we still may need your help on this with Chairman Mahon, as well as on other potentially serious problems we expect on human rights and country-restrictive amendments.

2. EPG ACTIVITIESa. Economic Policy Decisions

We are under very short decision deadlines for the 1978 economic policy. The Steering Committee next Thursday will take a first cut at assembling the various elements in a coherent package. We will have to you by mid-week a proposed schedule for your participation in the processes of consultation, decision, and presentation. Before your departure for Christmas and your foreign trip, we will need at least a full day of your time to reach final decisions on the size of the FY 1978 and 1979 budget deficits; the final contours of tax reform and reductions; the details of an anti-inflation program; and the components of our overall approach to unemployment.

We need pre-Christmas decisions on these matters to do the necessary technical and political work for a successful January presentation of the program.

b. Anti-Inflation Program

Charlie Schultze, Stu Eizenstat, and I are now consulting with outside economists, business leaders, and labor representatives about a wide range of anti-inflation options, many of which involve the tax system. It will be very hard to find a meaningful program that does not raise a storm of controversy.

c. Tax Reform

The Steering Committee meets early next week with the Vice President to consider the modifications and options discussed at our meeting this week. I have begun consulting in general and guarded terms with Chairmen Ullman and Long.

- 3 -

3. STEEL TASK FORCE

The way this has been handled is a model in Congressional consultations. While the task required a substantial amount of time (mainly Tony Solomon's), the deliberate and thorough consultations in accordance with a plan have resulted in a receptive environment on the Hill to the Steel Report. Instead of hostile second-guessing, we have been receiving the kind of cooperative reports which we hope for on every issue. I might add that although the area was sensitive and briefings were done with many Congressmen and Senators and their staffs, we were not plagued with any more leaks than if we had been secretive.

4. NEW YORK CITY

On Wednesday I addressed the annual dinner of the New York Board of Trade and further emphasized the economic points you made in your Wednesday news conference. I also used the occasion to underline the need for progress toward a solution of the City's financial problems.

Last week I met separately with Governor Carey, Mayor-elect Koch, Mayor Beame and Controller Goldin in New York. They agreed to prepare immediately a budget and financing plan for the next four years. I stressed that when the current seasonal lending legislation expires next June 30, Congress will have to be convinced that any extension would be the last. I will be sending you my thoughts shortly on this question.



W. Michael Blumenthal

CLASSIFIED BY W. Michael Blumenthal
SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED AT TWO
YEAR INTERVALS AND DECLASSIFIED
ON DEC. 31, 1983-----

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SCHEDULE 1

CONFIDENTIAL


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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

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December 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren 
Gus Speth
Marion Edey

SUBJECT: CEQ Weekly Status Report

Proposed Shutdown of California Tideland Oil Production: Following Jim Schlesinger's Cabinet meeting report of a threatened partial shutdown of California's tideland oil production due to the effects of the entitlement and import subsidy program, we arranged a meeting between responsible California officials and Schlesinger. At this meeting, the Secretary acknowledged the existence of the problem and proposed an acceptable solution, all to the obvious satisfaction of the California representatives.

Solar Energy Budget: We have been working closely with OMB to ensure that DOE's solar energy budget is adequate, particularly in the area of promising photovoltaic technology.

Nuclear Facilities Siting Act: We met with Secretary Schlesinger to discuss disagreements on various aspects of the proposed Nuclear Facilities Siting Act. We agreed to continue to work together to resolve remaining issues in an effort to minimize those needing to be brought to your attention.

SOHIO Project: We met with Tom Quinn and Mary Nichols of the California Air Resources Board. They advised that Brock Adams had satisfactorily resolved a possible jurisdictional conflict between the ARB and the Coast Guard concerning the SOHIO project. The only remaining obstacle to the issuance of necessary permits, they reported, is the completion of negotiations between SOHIO and Southern California Edison Company over operating responsibility for a flue gas scrubber. Quinn and Nichols are optimistic that this project will be in compliance with all federal and state requirements shortly after the first of the year.

Resource Conservation Committee: The Resource Conservation Committee met this week and decided to delay recommendations to you on beverage container deposit legislation until some time after further analyses are completed, which will only be a matter of weeks.

UN Conferences on Water and Desertification: We also met with Under-Secretary of Interior Josephs, Undersecretary of State Benson, and Governor Gilligan to develop responses to the recommendations of the UN Conferences on Water and Desertification.



Office of the Attorney General

Washington, D. C. 20530

December 2, 1977

Re: Principal Activities of the Department of Justice
for the week of November 28 through December 2

1. Meetings and Events

The Attorney General appeared on the Today Show on Monday, answering taped questions from random members of the public. On Tuesday, he testified before Senator De Concini's subcommittee on the pending Bankruptcy Bill. The Attorney General met for lunch with Secretary Andrus on Tuesday to discuss various matters relating to the Department of Interior and the Lands and Natural Resources Division of the Department of Justice. On Friday, the Attorney General held a press conference to denounce and rebut statements in an article by Seymour Hersch in the New York Times on an investigation of George E. Schumacher, who is a potential nominee as U.S. Attorney in Pittsburgh.

2. Legislative Report

Omnibus Judgeship Legislation - The House Judiciary Committee completed the markup of the omnibus judgeship bill, H.R. 7843, on November 30 and ordered the bill favorably reported by a vote of 31 to 2. Two amendments added nonbinding guidelines for the merit selection of district judges and for due consideration for the appointment of minorities. In its present form, the bill would create 110 new district court judgeships and 35 new circuit court judgeships. There is no provision dealing with the Fifth Circuit split.

Criminal Code - Briefings on the Criminal Code bill are continuing in the House subcommittee with hearings expected in January-February. The Attorney General met with Congressman Mann, who is Chairman of the Subcommittee that will consider the bill, to discuss it on Wednesday. Arrangements are being made in the Senate for taking it to the floor early in the session.

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3. FBI Director

On Tuesday, November 29, the Attorney General held a press conference to announce that Judge Frank Johnson of Alabama had formally requested that his name be withdrawn from nomination as Director of the Federal Bureau of Investigation. That same day, the Attorney General met with Director Clarence Kelley, who agreed to stay on as Director until February 15, 1978.

4. Revision of Executive Order 11905

The Attorney General decided this week to bring the FBI within the restrictions of Executive Order 11905, which previously had applied to all other government intelligence agencies. The new draft Executive Order should be presented to the President shortly by the NSC staff.

5. Antitrust Study Commission

The Attorney General met this week with Senator Kennedy and Chairman Rodino to start the process for getting Congressional members for the Antitrust Study Commission as soon as possible. The Attorney General indicated to Senator Kennedy that other members of the Commission will be chosen after the Congressional members are named in order to balance the viewpoints represented on the Commission.

6. Major Convictions in the Attorney General's Crime Priority Areas

A number of convictions have been obtained by the Justice Department recently in the areas the Attorney General has designated as crime priority areas.

Organized Crime: In Los Angeles, a federal judge sentenced Justin Rone and Roy Dupont Little to sentences totaling 100 and 80 years respectively for racketeering, two gangland slayings and a contract killing. In Philadelphia, Stanley Apfelbaum, administrative assistant to District Attorney F. Emmett Fitzpatrick, was convicted and sentenced to two years for perjury relating to a grand jury investigation of infiltration of crime figures into a new car dealership and a staged \$175,000 robbery.

Narcotics: In Chicago, heroin conspiracy charges led to the convictions and sentencings of Roberto Camba-Pera (40 years), Wilfredo Figueroa (15 years), and Rolando Ortiz-Carrillo (15 years). A fourth fugitive in the case was found shot and killed in New York City by a person out on bond for murder. In Houston, two more defendants who were part of a large heroin ring were sentenced, bringing to a total of 26 the number of members of the ring who have been sentenced to date for a total of 250 years in prison and fines of \$275,000.

Public Corruption: In Maryland, Governor Marvin Mandel was sentenced to four years pursuant to his conviction for mail fraud and racketeering. Also sentenced in the same case were Dale Hess, a former majority leader, Irvin Kovens and Harry W. Rogers III, all to four years and \$40,000 fines, and Ernest N. Cory, Jr., to 18 months. In Pittsburgh, a former Pennsylvania Securities Commissioner, Sam Meyers, and his brother, Gus Meyers, were sentenced to five years and fined \$5000 each for a pattern of kickbacks to magistrates and others on virtually every bail bond written by their company from 1970-1975. In Baltimore, a former deputy of Baltimore's Public Works Department was convicted of extortion from demolition contractors; five contractors were also convicted in that case.

White Collar Crime: The Board Chairman of Ingram Corporation and four others were convicted by a Chicago jury of a bribe scheme for contracts to transport sewage by barge and pipeline to a landfill 160 miles south of Chicago. Included in those convicted were a trustee of the Chicago Metropolitan Sanitary District and a former state legislator of 16 years. Finally, in Miami, two men were sentenced to terms of 4 1/2 and 6 years respectively for their part in an industrial development bond swindle that defrauded more than 100 victims, including returning Vietnam prisoners of war, in 10 states of \$2 million.

7. Department Budget Hearing Correction

At the November 30 budget hearing with the President, the Attorney General stated that the Department of Justice had 3500 attorneys. OMB stated that the figure was 6881. The discrepancy occurred because OMB was referring to the total strength of the Department's litigative organizations, including secretaries and paralegals along with the attorneys. As of November 30, the Department has 3,482 attorneys on board, with 1,735 of these located in U.S. Attorney offices around the country.

8. LEAA Grant to Plains Police Force

As a result of negotiations, LEAA has reconsidered an earlier decision and has authorized a \$20,000 grant to the Plains, Georgia police force as an interim measure to solve immediate funding problems.

9. The Department's weekly report on appointments is attached.

to HJ

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

December 2, 1977

C

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson

SUBJECT: Weekly Report on Significant Issues Pending at
the Department of Transportation

FROM: Brock Adams

Brock Adams
Adams

Budget/Legislative Appeals

Information

My staff has met with OMB and I have discussed with Jim McIntyre your initial decisions on the budget and our legislative proposal. I am pleased with the overall attention paid to our ZBB submission and believe that most of the outstanding appeal items can be resolved at a working level.

Federal Motor Vehicle Safety Standard 121

Information

There is strong criticism from representatives of truck and bus operators that "antilock" braking systems installed to comply with DOT safety standard FMVSS No. 121 may be causing accidents because of malfunctioning of electronic components. The matter has attracted substantial Congressional attention. A petition calling upon the Department to suspend the standard's requirements, sponsored by Representative Dan Marriott (R-Utah), has been signed by 79 Congressmen.

The Senate Subcommittee on Governmental Efficiency has scheduled hearings on the standard for December 6 and 7. The NHTSA Administrator will testify. The Department will hold an administrative hearing on December 15 to investigate the conflicting claims by vehicle manufacturers and users concerning the reliability of the antilock systems. Despite some of the problems with the new brake standards, the Department continues to believe it has positive safety benefits. If the hearings and field investigations indicate otherwise, I will direct NHTSA to take appropriate action.

Sohio Marine Terminal in Long Beach

Information

Tom Quinn, Chairman of the California Air Resources Board and a close associate of Governor Brown, met with me on November 30 to discuss California's permit for construction of a Sohio terminal project at Long Beach to receive Alaskan oil. He was concerned that the Coast Guard regulatory responsibility would prevent the establishment of State air quality standards for

emissions from tankers entering the terminal. We have advised Mr. Quinn that the relevant Coast Guard regulatory responsibility is to assure that no safety or marine pollution hazards are created by equipment or operating requirements relative to the control of emissions, but that we believe that these requirements and State air quality requirements could be accommodated. Thus, we regard Coast Guard safety requirements as no impediment to the State of California going ahead and issuing a permit to Sohio.

Low Cost International Travel

Information

Consistent with the Administration's objective of seeking more widely available low cost international air travel, we are working with the State Department to initiate a series of air negotiations with the Federal Republic of Germany, the Netherlands and Switzerland leading to liberal and nonrestrictive charter agreements. In the past few weeks, we have concluded successful charter agreements with Belgium and Yugoslavia and are now actively negotiating in this area with the United Kingdom.

I believe that the U.S. international aviation initiatives in this area represent our highest priority for Atlantic air service and have a high prospect for paying off in terms of continuation through next summer and beyond of the experimental low transatlantic air fares which have become newly available this fall.

I was visited by a delegation of European airline chief executive officers last week. This group stated its concern that a free market situation would lead to an air fares war, that unrestricted charter airline competition will drive out all scheduled airlines except for the government subsidized ones, and that the U.S. policy initiative would thus fail to achieve its intended objectives of a more competitive system.

This attitude, although articulated by airline executives, also appears to reflect the beliefs of several European governments. I have asked my staff to work together with the State Department in the next few months to make clear to these governments our case for a more competitive, better functioning system, and to try to encourage these governments to take a more enlightened long-term view of the need for a freer international aviation marketplace.

Promotion of Administration's Energy Program

Information

~~Attached~~ are two recent newspaper editorials supporting our Department's efforts on the 55 mph speed limit as both an energy-saving and life-saving effort.

Attachments

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON

"FYI"

C
/

December 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *for*

SUBJECT: Major Departmental Activities, November 19 -
December 2

COLLECTIVE BARGAINING

Coal

I met separately this week with Arnold Miller, President of the United Mine Workers (UMW), and Joe Brennan, President of the Bituminous Coal Operators Association (BCOA). The meetings did little to alter the prognosis of a coal strike beginning with the expiration of the contract on December 6 and lasting at a minimum from 30 to 60 days. Although I tried to convince Arnold Miller that it was in the best interests of the UMW members to extend the current coal contract as negotiations continue, he felt that circumstances made this impossible. The negotiations were most recently focused on the procedural issue of the size of the bargaining teams. Wayne Horvitz of the Federal Mediation and Conciliation Service (FMCS) announced today that both sides had agreed to limit the negotiations to four-man teams. The situation was somewhat confused by an article in the New York Times this morning that incorrectly portrays the FMCS' efforts to reduce the size of the negotiating teams as a way of excluding Arnold Miller from the negotiations. The purpose of changing the structure for bargaining is to reduce delay and create a more manageable group for the negotiations.

International Longshoremen

The International Longshoremen's Association (ILA) announced on November 29 that a majority of its members in the Atlantic and Gulf Coast ports had voted to end their two-month strike against container ships.

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OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

On December 5, Assistant Secretary Eula Bingham and I will hold a press conference to announce the proposed elimination of more than 1,100 job safety regulations that have little or no effect on worker safety. Among the regulations to be eliminated are those mandating the shape of toilet seats and the height of fire extinguishers. Regulations like these have been frequently cited by the business community as examples of OSHA pettiness and harassment.

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THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

December 2, 1977

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MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Tenants to Have Voice in Rent Decisions. HUD announced in testimony before the House Subcommittee on Manpower and Housing in New York City that tenants soon will be able to comment on proposed rent increases in rent controlled buildings with FHA insured mortgages. HUD rent control preemption, which occurs only when it is evident that controlled rents are not producing enough revenue to prevent default under the FHA insured mortgages, has been a matter of concern in New York City and other communities with rent control. Planned changes in our regulations will give tenants in unsubsidized projects the opportunity to review and challenge financial data received by HUD when landlords ask to preempt local rent controls.

HUD Follows Up on Appalachian Migration Issue. HUD is now planning an interagency meeting to work on problems of Appalachian migrants in urban areas. Assistant Secretary Baroni has undertaken this assignment in response to a problem raised with you by Mike Maloney, Executive Director of the Urban Appalachian Council. Plans for the meeting are being coordinated with Jack Watson and his staff.

Regional HCD Act Briefings Concluded This Week. Since enactment of the Housing and Community Development Act of 1977, HUD has sponsored eight legislative conferences to discuss significant aspects of the new legislation and proposed implementing regulations. Some 12,000 State and local officials and representatives of industry and consumer groups attended the regional briefings which were arranged by HUD's new Office of Intergovernmental Relations. The meetings provided an opportunity for people to ask questions about our new legislation and to suggest changes in the proposed regulations.

Flood Insurance - Suit by NFIA. The National Flood Insurers Association (NFIA) has brought suit for declaratory judgment and injunctive relief, seeking to prevent HUD from implementing a Government operated flood insurance program under Part B of the National Flood Insurance Act. NFIA, which refused to renew its original contract to operate the

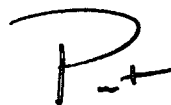
Flood Insurance Program, alleges that the Secretary has not shown that the Government-industry venture, as it has operated since the inception of the program, is unworkable, or that the cost differential between private insurer operation and government operation necessitates turning to Part B. NFIA also contends that the EDS Federal Corporation, HUD's prospective contractor, is not an insurance company, and therefore cannot, within the meaning of the Act, undertake a role as a "fiscal agent" for HUD in the operation of a Part B program. NFIA's motion for a temporary restraining order or preliminary injunction is scheduled to be heard on Friday, December 9.

Solar Demonstration Program Offers Large Return. On November 29, National Homes Corporation, one of the country's largest home manufacturers, announced a new line of energy-conserving homes complete with solar hot water systems. David Price, president of National Homes, announced that the HUD solar energy demonstration program was the impetus for the development of the housing. Model homes containing these solar systems will be opened by 450 builders on January 21, 1978. The solar system involved was developed by Revere, Copper and Brass and was used in several of HUD's solar demonstration projects. National Homes' action is a convincing demonstration that energy conservation and solar energy in housing construction are marketable, a primary objective of the HUD solar program, and should encourage more efficient use of energy in residential construction.

Property Disposition Exceeds Minority Contractor Goal. A report on our Fiscal Year 1977 Minority Contractor Goals program shows that 112 of 564 property management contracts by HUD's Property Disposition office were with minority real estate firms. This volume, 19.9 percent of the total, exceeded the 18.3 percent goal originally set for the year.

Urban Policy Report at Second Draft Stage. Staff of the Urban and Regional Policy Group have completed a second draft of the National Urban Policy Statement, "Toward Cities and People in Distress." The report has been submitted to Stu Eizenstat and Jack Watson, and also to the URPB Secretaries and their Deputies. We have begun a series of meetings to discuss the report with White House staff.

We also have met with the Governors' Task Force on Urban Policy to hear their comments on the URPB draft report. The members -- Governor Dukakis, Milliken, Askew, Shapp, and Thompson -- asked for a larger State role in addressing urban problems.



Patricia Roberts Harris



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

C

December 2, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

STRIKE. As noted in reports from Texas today (Friday), enthusiasm for a farm strike is beginning to fizzle.

The economic problem still remains in areas experiencing severe crop losses. Georgia is among the most severe and I will be going there December 15 and 16 for public meetings set up by Bo Ginn and Dawson Mathis.

USSR. Known sales to the Soviet Union now total 1.8 million tons of wheat and 3.5 million tons of corn. October through December shipments will not exceed the levels indicated in our October meeting with them.

RIGHTS. Difficulties in applying human rights criteria to our food aid programs seem to have been resolved.

FmHA - ASCS. The weekly update of appointments is attached. to HJ


BOB BERGLAND

Attachments-3
~~FmHA Report~~
~~ASCS Report~~
News Clipping from 12/2/77 N.Y. Times

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for Preservation Purposes



United States of America
General Services Administration
Washington, D.C. 20405

Administrator

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for Preservation Purposes**

December 2, 1977

MEMORANDUM TO THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Space for IRS Records

We have been advised by IRS officials that in 1978 the size of two of their most widely used tax return forms will double from half-page size to full-page size. This will result in major increases in space requirements at locations where these forms are stored.

Savings Realized Through Quality Approved Manufacturers Program

The Quality Approved Manufacturers Program (QUAMP) authorizes suppliers who have proven product quality and demonstrated timely delivery to ship with minimal Government inspection. In FY 77 this program resulted in a \$6.5 million savings through reduced inspection services.

Presidential Security Support - Plains, Georgia

We were recently given authorization by the Secret Service to enter into a 10-year lease term with appropriate cancellation privileges by the Government with Mr. and Mrs. Ralph Gnann. The Gnann property, adjacent to the Carter home, will serve as a Command Post for the Secret Service. The annual rental will be \$8,000 with utilities and janitorial services furnished by the Government. This plan is just one of twenty alternatives developed by GSA and submitted to the Secret Service for consideration.

Humphrey Dedication

~~I have enclosed~~ a photograph of the plaque which was placed on the Hubert H. Humphrey Building at the recent dedication. I thought you would enjoy having it.

Travel to Elkins, West Virginia, With Sen. Jennings Randolph

~~Also enclosed~~ is a newspaper story covering a trip I took recently with Senator Randolph to Elkins, West Virginia, for a Veterans' Day celebra-

tion.

JAY SOLOMON
Administrator

Enclosures

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memo	From Young to The President (one page) re: Weekly Activities of US Mission to the UN/ enclosed in Hutcheson to Cabinet members 12/5/77	12/2/77	A
memo w/ att.	From Brzezinski to The President (10 pp.) re: Human Rights/enclosed in Hutcheson to Mondale 12/5/77	12/3/77	A

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- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

HEALTH LEGISLATION

THE WHITE HOUSE
WASHINGTON

cc 16/11/74
P 2

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for Preservation Purposes



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

December 2, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

- Social Security. The Social Security Conference Committee met on Thursday and discussed the differences between the House and Senate versions of the bill. Very few decisions were made on Thursday, and the conference committee will reconvene on Monday, December 5.

On Wednesday of this week, the House appointed its conferees (Burke, Cotter, Mikva, Rostenkowski, Tucker, Ullman, and Waggoner, with Republicans Archer, Conable, and Ketchum). As you know, the motion to instruct the conferees on the retirement test was then defeated 183 to 209.

The procedural vote on the retirement test obviously represented a substantial turnaround since that provision was adopted about a month ago as part of the House Social Security financing bill. It even surprised the House leadership. The vote to adopt the amendment at that time was 268 to 149. The turnaround was accomplished in part as a result of outstanding work by Bill Cable of your staff and Dick Warden, HEW's Assistant Secretary for Legislation, cooperating closely with interested outside groups -- mainly labor and senior citizens.

- Welfare Reform. Your meeting with the Subcommittee yesterday was very productive. While we should not minimize the difficulties in getting the Subcommittee to report out a bill before Congress reconvenes next year, we still have a chance -- and we will keep pressing hard. The Subcommittee will, according to our present information, begin making broad decisions on principles next week.

Subcommittee members are increasingly concerned about the relationship of welfare reform to other major items in next year's legislative package -- e.g. tax reform and an employment initiative. As soon as we can send clear signals about our strategy next year, we should do so to give Subcommittee members an understanding of how their work fits into next year's schedule. Many continue to believe that tax and employment will knock welfare reform back into mid-year, and they question the need to press forward so quickly on welfare.

- Appropriations. The House meets on Tuesday to consider another continuing resolution for the Labor-HEW appropriations bill. Senator Brooke has expressed serious reservations about accepting another continuing resolution, but the House has backed the Senate into a corner. If a continuing resolution does not emerge from Congress by the end of next week, Labor and HEW employees will only receive 80 percent of their pre-Christmas check.
- Meeting with Senator Kennedy on Health Matters: I met for almost two hours with Senator Kennedy this week to discuss health issues coming up in the Congress next year. There is good news and bad news. The good news is that Kennedy seems enthusiastic about our drug law overhaul and I think we can put together a program that you can propose with Kennedy, Rogers and our other key Congressional actors at your side. The proposal should go to the Congress as soon in January as possible and it will be the first item on the agenda for the health subcommittee.

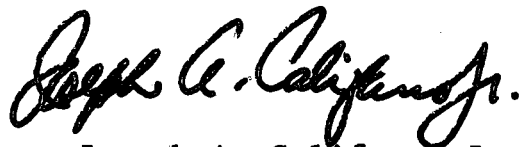
The bad news is that Kennedy is very unhappy about delays in National Health Insurance. He wants a legislative proposal and some hard negotiations with labor and others early next year. He does not think we should send up general principles next year to be followed by legislation early in 1979.

- Health Legislation. We should brief you before you leave on your foreign trip about next year's health legislation, including the drug law overhaul. Next year's health agenda will be one of the biggest Congress has ever faced.

- Sterilization. Reports that HEW funds were being used to finance coerced and uninformed sterilizations prompted me to order a complete re-examination of our policy in this area. On Thursday, I issued for public comment new HEW regulations to ensure that federal funds pay only for voluntary sterilizations in which a patient is fully informed about the nature and consequences of the operation. These new regulations are likely to be controversial. They apply to all sterilizations funded by Medicaid/Medicare or family planning projects supported by HEW, as well as to sterilizations performed in hospitals and clinics operated by the Public Health Service and the Indian Health Service.
- Health Planning Guidelines. In September, as I have reported to you before, we published for comment draft national guidelines under the Health Planning Act. These guidelines, which could have a significant effect on provisions of health care, provide national numerical benchmarks to assist local and state health planning agencies draw up plans to determine the need for health care facilities in their communities. These guidelines proposed numerical benchmarks for specific inpatient medical services and facilities (e.g., four hospital beds per thousand patients, open heart surgery units should perform at least 200 operations annually). The guidelines are enforced by State and local, not Federal, authorities.

The guidelines have generated substantial concern throughout the country -- in some measure because of a campaign by the Hospital Association to distort their effect. To date, we have received some 25,000 comments on the guidelines as well as expressions of concern from about 130 Senators and Congressmen. Most voice concern about the effect of the guidelines on rural hospitals; on obstetrical units, and on pediatric wards. We intend to respond to these concerns following the close of the comment period on December 9, and we will expand and broaden the exceptions applicable to the rural hospitals and will adjust the standards for the other units. On Wednesday, I sent a letter putting the guidelines issue in perspective to Congressman Rogers, and a similar letter will be sent to all Representatives and Senators to distribute to constituents in their districts.

- Private Schools. This week the Office of Education co-sponsored with the Council for American Private Education a national conference on non-public education, aimed at forging a new relationship between the Federal government and private schools. Participants included national private school associations, representing ninety percent of all private school enrollment, and over two hundred private school leaders from across the country.
- Energy. Undersecretary Champion received widespread coverage of an energy speech in Philadelphia on Tuesday to thirty hospital and college administrators. He discussed the impact of your energy proposals on their facilities and released a survey of energy use by hospitals which vividly illustrated the extent to which they rely on natural gas and oil (~~see attached wire story~~). The radio and TV stations which covered the speech claim an audience of some six million people. Other energy-related activities included a meeting of Undersecretary Champion, Assistant Secretary for Education Berry, and Commissioner Boyer with higher education officials, and a press release announcing their support of your energy program. Department officials continue to refer to energy in their speeches.



Joseph A. Califano, Jr.

Attachment

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Charles Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

CONSULTATIONS ON INFLATION POLICIES

THE WHITE HOUSE
WASHINGTON

Cc
Schick

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*
SUBJECT: CEA Weekly Report

Regulatory Analysis Program. My staff has completed the necessary preparations for the Regulatory Analysis Program that you approved a few weeks ago. This week, I sent a letter to cabinet members and heads of regulatory agencies informing them that the program had been inaugurated. An organizational meeting of the Regulatory Analysis Review Group will be held on December 15, after which the program will be in full swing.

Work Plan. CEA is working closely with the staff of the Vice President and Stu Eizenstat on a work plan of decisions, meetings and consultations for you and for your economic advisers during the next several weeks.

By next week, we will complete work on the 1978 and 1979 economic forecast and alternative tax programs, the preliminary outlines of which I presented to you today. We are planning toward a meeting with you around December 17 to go over the economic outlook and fiscal policy options.

Energy Speech. I spoke on Tuesday in New York before the Life Insurance Institute of America. The speech covered the foundations of the Administration's economic policy, and included a lengthy section on the energy program.

Consultations on Inflation Policies. On Tuesday evening, a number of prominent economists met with Mike Blumenthal, Barry Bosworth, Stu Eizenstat and me to discuss the inflation outlook and possible Administration responses. In general, the group was somewhat skeptical of the political feasibility of approaches that relied on the tax system, although they were more open-minded about the idea advanced by Art Okun to use Federal grants to induce states to reduce their sales taxes. The "sales tax buyout" would have a direct impact on the price level, since those taxes are included in the CPI. We are examining this proposal to determine its Administrative and economic feasibility. Further meetings are slated with representatives of business and labor on inflation issues.

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: LETTERS OF RECOMMENDATION
SENT TO THE WHITE HOUSE FOR
POSITIONS WITHIN THE ADMINISTRA-
TION FOR RALPH H. METCALFE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
X	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

Frank J

December 1, 1977

LETTERS OF RECOMMENDATION SENT TO THE WHITE HOUSE
FOR POSITIONS WITHIN THE ADMINISTRATION
FROM RALPH H. METCALFE, M.C.

On Behalf of: Mr. Bennie D. Brown, Jr.
Date of Letter: March 14, 1977
Position: Regional Representative of the National Center for
Productivity and the Quality of Working Life
(Chicago area), or a similar position
Status: Reply from Department of Labor - vacancy filled

On Behalf of: Mr. Linford Coleman
Date of Letter: October 6, 1977
Position: Labor-Management Advisor, Department of Labor -
Regional Office in Chicago
Status: Not appointed

On Behalf of: Mr. Christopher B. Cohen
Date of Letter: September 13, 1977
Position: Principal Regional Officer, Region V, Department
of Health, Education, and Welfare
Status: Appointed

On Behalf of: Mr. William B. Collier
Date of Letter: August 5, 1977
Position: Chicago Area Director for the Department of
Housing and Urban Development
Status:

On Behalf of: Mr. Danny K. Davis
Date of Letter: January 24, 1977
Position: Policy-making position within the Administration
Status:

On Behalf of: Dr. Frank E. Enty
Date of Letter: January 19, 1977
Position: Commission, Interstate Commerce Commission
Status:

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* On Behalf of: Mr. Louis A. Fitzgerald, Jr.
Date of Letter: October 3, 1977
Position: Public Information Officer, Drug Enforcement
Administration, Region V (Chicago), Department
of Justice

Status:

* On Behalf of: Mr. Leon D. Finney, Jr.
Date of Letter: June 23, 1977
Position: Member, National Commission on Neighborhoods
(Public Law 95-24, Section 203(b)(3))

Status:

On Behalf of: Mr. Thomas Fuller
Date of Letter: January 24, 1977
Position: Director, Community Service Administration or
Director (or Deputy Director), Manpower Division
of the Department of Labor

Status:

On Behalf of: Reverend Carl Fuqua
Date of Letter: October 4, 1977
Position: A position within the Administration
Status:

On Behalf of: Mr. Anthony C. Gibbs, Jr.
Date of Letter: March 28, 1977
Position: A position within the Administration
Status:

On Behalf of: Mr. Arthur A. Gillis
Date of Letter: June 8, 1977
Position: Regional Director, Region V (Chicago), Federal
Housing Administration

Status:

On Behalf of: Mr. Lucius P. Gregg
Date of Letter: March 7, 1977
Position: Chairman, Federal Communications Commission
Status: Not appointed

On Behalf of: Mr. Stanley P. Hebert
Date of Letter: March 28, 1977
Position: Chairman, Equal Employment Opportunity Commission
Status:

On Behalf of: Ms. Lucille Ish
Date of Letter: March 3, 1977
Position: Policy-level position in the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, or the Department of Labor
Status:

On Behalf of: Mr. Peter Mack
Date of Letter: April 22, 1977
Position: Member, Civil Aeronautics Board
Status:

On Behalf of: Ms. Jacqueline Moore
Date of Letter: March 14, 1977
Position: A position within the Administration
Status:

On Behalf of: Mr. Douglas W. Redmond
Date of Letter: March 28, 1977
Position: Special Assistant to the Director, Office of Management and Budget; Assistant to the Secretary for Special Programs, Department of Health, Education, and Welfare; or Special Assistant, Director of Information, Department of Health, Education, and Welfare
Status:

On Behalf of: Mr. Sam Riley
Date of Letter: August 5, 1977
Position: Assistant Regional Administrator for Region V (Chicago) or Special Assistant to the Regional Administrator for Region V (Chicago), Department of Housing and Urban Development
Status:

On Behalf of: Mr. James M. Strong
Date of Letter: January 24, 1977
Position: Commissioner of the Federal Trade Commission
Status:

X On Behalf of: Mr. Dempsey J. Travis
Date of Letter: May 9, 1977
Position: Position on the Federal Home Loan Bank Board
Status:

On Behalf of: Mr. Mel Walker
Date of Letter: January 24, 1977
Position: Assistant Secretary of Labor, Office of Contract Compliance; Regional Director for Region V, Office of Minority Business Enterprise; or Director, Chicago Office of the Small Business Administration
Status:

On Behalf of: Ms. Shirley A. Warren
Date of Letter: January 24, 1977
Position: A position in the Chicago Area Office (Region V) of the Department of Health, Education, and Welfare
Status:

On Behalf of: Ms. Bernadine C. Washington
Date of Letter: March 28, 1977
Position: Commissioner, Federal Communications Commission
Status:

On Behalf of: Mr. A. Wendell Wheadon
Date of Letter: March 14, 1977
Position: A position within the Administration
Status:

On Behalf of: Mr. Alexander E. Williams
Date of Letter: June 8, 1977
Position: Commissioner, Equal Employment Opportunity Commission
Status:

On Behalf of: Mr. Eddie N. Williams
Date of Letter: March 28, 1977
Position: Chairman, Federal Communications Commission
Status: Not appointed

TOTAL: 27

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Jack Watson

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Tim Kraft

RE: CABINET MEETINGS
STAFF CHRISTMAS PARTY

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
✓		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
✓	HUTCHESON
	JAGODA
	KING

✓	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 3, 1977

C
/

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
Jane Frank
RE: Weekly Summaries/Miscellaneous Items

We are attaching the weekly summaries.

Since the holidays are approaching, we suspect that some Cabinet members will be making plans for brief vacations. It would be helpful to them if you would decide now whether we will have Cabinet meetings and/or ask for weekly summaries later this month. Monday, December 26, and Monday, January 2, are both federal holidays. You will also be out of the country January 2.

Hold Cabinet meeting December 19	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Ask for weekly summaries	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Hold Cabinet meeting December 26	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Ask for weekly summaries	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Hold Cabinet meeting January 2	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Ask for weekly summaries	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Although you are scheduling Christmas receptions for Members of Congress and their families and for EPS officers and their families, you have not yet scheduled anything for the White House staff and their families. As you know, a lot of people on the White House staff seldom, if ever, have a chance to see you. (The White House picnics during the summer months were great, but they did not include spouses or families of staff members.) We respectfully suggest that you invite the entire staff and their families on a Saturday or Sunday afternoon to visit with you and your family, see the decorations at the White House, enjoy punch and cookies, sing Christmas carols and enjoy special entertainment for the younger children. We think that such an affair would give a tremendous boost to morale.

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-2-

Christmas reception:

Agree

Disagree

5-7 PM
12/19

✓

(Top staff
Wed nite)

For your information:

-- At last week's Cabinet meeting, Jim Schlesinger discussed the potential problems involved in transporting Alaska oil from tankers off the California coast to the Sohio pipeline which is linked to mid-Texas. At our request, Jim prepared a memorandum on the status of the situation which we circulated to agencies with jurisdiction over parts of the problem--EPS, Interior and DOT. Yesterday Cecil approved the plan; Brock had a successful meeting with the head of the Air Resources Board in California concerning what the Coast Guard should do to enforce air pollution standards when the tankers are off-loaded; and Doug Costle is in California now and has worked with the others to ensure that EPA is in agreement with the steps they are taking. Charlie Warren has just advised us that the only matter remaining is the negotiation between Sohio and Southern California Edison regarding the installation and operation of a flue gas scrubber. Once that negotiation is concluded, all major barriers to the Sohio project will have been removed.

-- I spoke with Mayor Bilandic this afternoon, who said that his meeting this morning with federal officials went extremely well. The Chicago City Council this morning passed a resolution expressing their gratitude and commendation to you for your quick response to the situation. The federal officials and the Mayor agreed that there will be no further shipments of highly enriched uranium through O'Hare Airport until a study of the subject can be conducted by federal experts working in collaboration with state and local officials.

good

I also spoke with Joe Hendrie, Chairman of the Nuclear Regulatory Commission, who said that he fully agrees with this approach and will keep us informed of its progress.

The Mayor asked me to express his personal appreciation to you for your prompt and responsive action.

cc: The Vice President

THE WHITE HOUSE
WASHINGTON

December 5, 1977

The Vice President

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

AN ECONOMIC NIGHTMARE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

/	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

November 21, 1977

An Economic Nightmare

*Fritz - let
them read
J*

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A combination of Federal Reserve, labor and business actions could turn a constructive 1978 tax cut into the first chapter of a horrible nightmare! Here is a piece of social-science-fiction that could all too easily come true. The point of spinning the following tale is to ensure that it remains a fantasy.

At the beginning of 1978, the President proposes a \$20 billion tax reduction --- two-thirds for individuals and one-third for corporations. The tax program adds 6 percent to after-tax profits and is warmly received by the business community and the stock market, especially since it does not contain painful tax reforms. Labor is also pleased with the additional percentage point of disposable income that the personal tax cut offers for the American family. The President's message unveiling the tax program has some mild language about price-wage restraint, but he avoids any tough guidelines approach that would jeopardize the favorable response of business and labor. After all, the tax cut is meant to build confidence, and any tough jawboning would undermine it. Of course, nobody takes the mild jawboning seriously.

The stock market rises; consumer sentiment goes up; Congress embraces the tax cut; and by May the polls are recording a new high for the President's popularity. The tax cut takes effect on July 1, and the gain in real household income soon shows up in the stores; meanwhile, business investment plans are revised upward during the summer.

In fact, the mood is so favorable that many businesses find a timely opportunity to raise prices more closely into line with the current cost of capital, which is well above the historical cost basis that underlies most industrial pricing. By late 1978, union leaders see the improved climate of business profitability and tranquility as a great opportunity for preparing the 1979 offensive to get wage contracts topping 10 percent a year. At the same time, higher costs of energy and imports, the increased minimum wage, and recent hikes in payroll taxes begin to trickle into consumer prices. The acceleration of prices is not dramatic; yet the inflation rate is distinctly higher, running between 7 and 8 percent in the closing months of 1978.

The Federal Reserve continues diligently to run the only anti-inflationary game in town. Emboldened by the good news on the economy's growth performance, it sticks closely to its 9-percent target for M_2 while the rate of growth of nominal GNP is around 13 percent (more than 5 percent real and more than 7 percent price). The Treasury bill rate reaches 8 percent at the close of 1978; but the Fed emphasizes that such an interest rate is still low in real terms. Furthermore, it is convinced that any problems the thrift institutions and mortgage markets might encounter can be prevented by a revision of Regulation Q. Finally, the Fed argues that all the hot money has left the thrift institutions, and disintermediation is no longer a danger. Nonetheless, early in 1979, mortgage credit is being cut back seriously and the bond market is in trouble.

By spring 1979, there is no doubt that inflation has taken a turn for the worse. That reinforces the Federal Reserve's conviction of the need for higher interest rates. Consumer sentiment begins to erode in the face of worsening inflation and soaring interest rates. Labor feels all the more need for giant-size settlements in the new round of bargaining in order to make up for rising inflation. The administration launches a serious program of

jawboning on wages and prices, but by this time it has no credibility.

Moreover, in many cases, the jawbonees have a legitimate argument that their costs began to accelerate before they started to step up the pace of their prices or wages. With the personal saving rate moving up and housing starts sliding badly during the course of 1979, growth slows dramatically. With starts down to 1.3 million and the saving rate up to 7 percent in the summer quarter, the economic expansion comes to a halt. In September 1979, a new recession begins, after 54 months of economic expansion. Of course, the President gets the entire blame for the disaster.

* * *

To keep this story safely in the realm of fiction, a 1978 tax cut must initiate 1) a serious anti-inflationary program and 2) a new era of improved coordination with the Federal Reserve. The ideal tax cut would create a specific incentive for wage and price restraint by rewarding those who practice it. Another good alternative is a program of using federal funds for reduction of state sales taxes; that clearly would lower both interest rates and inflation rates. Realistically, "the practical fallback" alternative may be a conventional tax cut provided that it is linked to a tough program of wage-price restraint. To be at all an adequate safeguard, it would have to center on a specific deceleration formula for prices and wages (with well-defined exceptions and flexibility); and it would need the prior acceptance in principle of key business and labor leaders as a quid pro quo for the tax cut. If business, labor and the administration can forge a social compact, the President should be able to persuade the Fed to join. The precedent is

there: the Fed helped assure the success of President Johnson's 1964 tax cut by running an accommodative monetary policy with stable interest rates until Vietnam overheated the economy at the end of 1965.

If the Fed and business and labor were immovable masses, and if Congress would reject any unconventional tax cut, then it is doubtful that any tax cutting can be done in 1978 without a serious risk of turning the nightmare into a reality. Fortunately, however, physicists insist that there are no immovable masses!

THE WHITE HOUSE
WASHINGTON

December 5, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

FUTURE OF LEGISLATION TO CREATE
AN OFFICE OF CONSUMER REPRESENTA-
TION

PERSONAL AND CONFIDENTIAL

THE PRESIDENT HAS SEEN.

Frank -
Comment
J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

November 30, 1977

PERSONAL

MEMORANDUM FOR THE PRESIDENT

FROM:

ESTHER PETERSON

SUBJECT:

Future of Legislation to Create an Office of
Consumer Representation

You will remember that, when I took the appointment as your Special Assistant, we thought that it would take only a relatively short time to get the consumer bill passed. That estimate was optimistic. While I am anxious to retire, I would continue the effort a while longer if you want me to. But, to get the bill passed there must be only one steward overseeing the legislation, and it must be a high Administration priority for early Congressional consideration.

Will have
to work
c Frank

I need primary responsibility for developing strategy and making decisions on this bill. Subject to your veto, no commitments on behalf of the Administration should be made without my active involvement and consent. Needless to say, I would continue to consult regularly with White House senior staff. Also, to the extent that the presence of senior staff is appropriate, it is necessary that I be included in Congressional leadership meetings and other White House functions which will or may touch on the subject of the consumer office or which provide an opportunity for informal contact with Members.

I'm not
sure

I am asking for substantial changes in the legislative operations regarding this bill. But without this strong concerted effort, this bill will not pass. You know the importance of this bill. It was a strong campaign promise, and it continues to be the highest priority of organized consumer groups. It has growing support among the public and maintains a modest degree of support in the business community.

ok

Further, the cost of a half-hearted effort is great for the Administration. Our effectiveness on the Hill is seriously questioned and many are skeptical of the Administration's resolve to fight for what it has promised. Any vote on this issue will be close and there may be a risk of losing; but it is a risk, I believe, worth taking. It is also essential that this matter be resolved one way or the other, since the remainder of your consumer program--compensation for public participation, class actions, and standing to sue--is in abeyance while the debate on the consumer office remains alive.

Strategy

Should we determine that I am to stay on the job, I recommend that we continue to focus primarily on the House, and the White House and consumer supporters maintain a low public profile until mid-January to avoid generating opposition lobbying during adjournment. However, we should then press quickly and intensively for a vote in February. We can expect strong labor support during the period because competing issues will not be active. Moreover, it is unlikely that the consumer grass roots effort can be maintained much beyond that date. We should stand behind the substitute bill, with no further erosion. In the Senate, we should press for an immediate vote following House passage.

yes
ok

White House Action and Clarification of My Role

Passage of the consumer bill will require a more forceful and consistent White House effort from offices other than mine and improved cooperation and coordination within the White House.

You & Frank
work out.
this

1. You, Mr. President, should call the Speaker soon to emphasize your personal interest in the bill and press the importance of a February vote. You should also call Senator Byrd to reaffirm your interest in and commitment to early passage.

2. The Vice President and top level White House staff (Stu Eizenstat, Frank Moore, Jack Watson, Ham Jordan, and Midge Costanza) should be involved to a greater extent than before. The first assignment should be calls to undecided House Members asking them not to commit themselves against the substitute bill during the recess.

3. My staff should exchange information with Frank Moore's staff about voting patterns of, and strategy for dealing with, key Members. This initial exchange should be followed by regular assessments of specific votes so that both staffs are currently informed about, and agree on, the vote outlook. We must identify immediately discrepancies between my vote analysis and Frank's to resolve any inconsistencies. The "tools" necessary for a quick and successful Floor fight must be developed cooperatively.

4. It is essential that you give frequent signs that the consumer office is an Administration priority. This should be done through references in press conferences, speeches, informal discussions with reporters and Members, and in the State of the Union address. I urge you to accept Consumer Federation of America's invitation to speak at their annual convention in Washington (January 19-20), as this presents a timely opportunity to press for the bill and to give support to the grass roots effort.

5. Cabinet officers must give this issue high visibility. Liaison with Cabinet Members and Congressional liaison officers in the Executive departments must be improved. Cabinet Members should again be asked by

you to help by making personal phone calls when asked and mentioning the bill favorably in public appearances. Cabinet officials should then communicate this responsibility to their Assistant Secretaries for Legislation who should also be told again by Frank Moore that their personal assistance will be required to help briefly on the bill.

6. Before you meet with Members, I should advise whether some special mention of the bill would be helpful. To do this effectively, Frank Moore's office should inform me when meetings with Members are scheduled. You have expressed willingness to make selective calls when the time and political climate are appropriate. This is essential.

7. Because promised business support has not materialized, I recommend that we de-emphasize recruiting of additional business endorsements.